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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
ITS OPERATIONS THROUGHOUT THE STATE
OF ARIZONA.

DOCKET NO. E-01933A-12-0291

NOTICE OF FILING

Tucson Electric Power Company ("TEP"), through undersigned counsel, hereby files the Direct Testimony of David G. Hutchens and Dallas J. Dukes in Support of the Settlement Agreement dated February 4, 2013.

RESPECTFULLY SUBMITTED this 15th day of February 2013.

TUCSON ELECTRIC POWER COMPANY

Arizona Corporation Commission

DOCKETED

FEB 15 2013

DOCKETED BY

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BOB STUMP- CHAIRMAN
GARY PIERCE
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IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01933A-12-0291
TUCSON ELECTRIC POWER COMPANY FOR)
THE ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES)
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE OF)
ITS OPERATIONS THROUGHOUT THE STATE)
OF ARIZONA.)

David G. Hutchens

on Behalf of

February 15, 2013

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- DGH-1 – 2013 Energy Efficiency Resource Plan (“EERP”)
- DGH-2 – Existing EE Rule Option

1 **I. INTRODUCTION.**

2
3 **Q. Please state your name and business address.**

4 A. My name is David G. Hutchens. My business address is 88 East Broadway Blvd.,
5 Tucson, Arizona 85701.
6

7 **Q. Have you submitted Direct Testimony in this proceeding?**

8 A. Yes. I submitted Direct Testimony with Tucson Electric Power Company's ("TEP" or
9 "Company") rate case application that was filed on July 2, 2012 in Docket No. E-
10 01933A-12-0291 ("Docket").
11

12 **Q. What is the purpose of your Testimony at this time?**

13 A. The purpose of my Testimony is to support the February 4, 2013 Settlement Agreement
14 ("Settlement Agreement") that was filed with the Arizona Corporation Commission
15 ("Commission") in this Docket. In this Testimony in Support, I will: i) describe the
16 central factors necessitating a base rate increase, ii) discuss the settlement process that the
17 Company undertook and its support for the Settlement Agreement, and iii) provide an
18 overview of the Settlement Agreement's key provisions. I will also explain why the
19 Company believes the Settlement Agreement achieves a reasonable balance of the
20 stakeholders' respective interests in TEP's rate case resulting in just and reasonable rates
21 that are in the public interest.
22

23 Certain terms and conditions in the Settlement Agreement, including revenue
24 requirement, depreciation and general rate design, will be presented in more detail in the
25 Direct Testimony of Dallas Dukes in Support of the Settlement Agreement.
26
27

1 **II. BACKGROUND AND SUMMARY.**

2 **Q. Would you please provide some context for why TEP requires a base rate increase**
3 **at this time?**

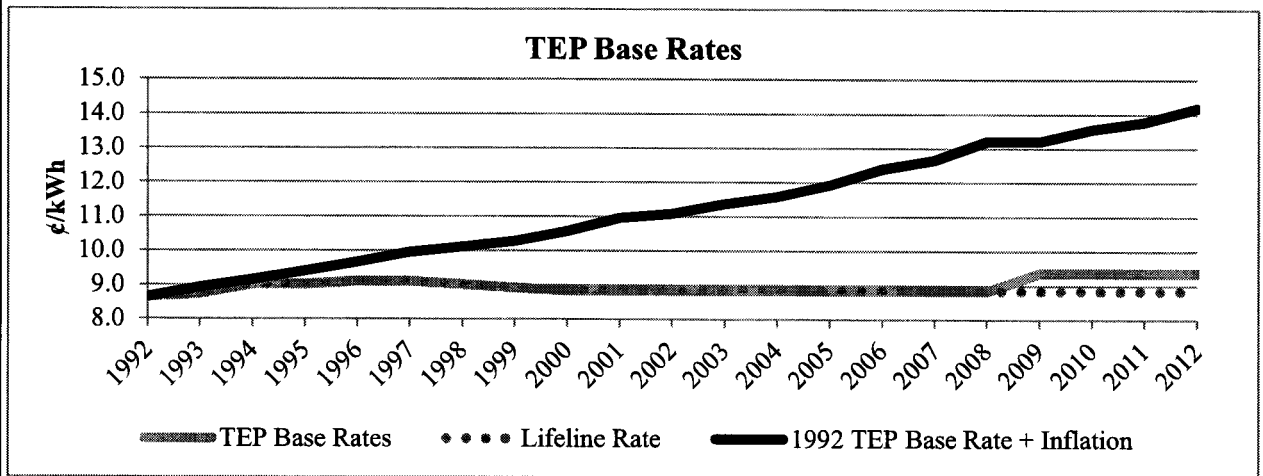
4 A. As set forth in my Direct Testimony, TEP's current rates (which are based 2006 test year
5 costs) took effect in December 2008 (2008 Settlement Agreement, approved in Decision
6 No. 70628 (December 1, 2008) ("2008 Settlement Agreement")). As part of that
7 settlement agreement, TEP was precluded from increasing rates before 2013. Over the
8 last four to five years, the Company has faced significant challenges, including
9 unprecedented sales declines and increasing costs of providing safe and reliable service.

10
11 TEP has faced rising prices for materials, equipment and fuel; higher labor, pension and
12 medical costs; and increased compliance expenses associated with new environmental
13 and cyber security regulations. Despite these pressures, we have constrained the growth
14 of TEP's operating and maintenance expenses ("O&M") to an average of 1.6 percent per
15 year through prudent management of our operations. Notwithstanding, the Company's
16 Commission-jurisdictional O&M expenses were \$29 million higher in 2011 than they
17 were in 2006. Moreover, TEP has invested \$1.3 billion in capital additions over the last
18 five years, boosting its rate base from the \$1.0 billion level approved in Decision No.
19 70628 to approximately \$1.5 billion by the end of 2011.

20
21 The financial burden imposed by these higher costs has been exacerbated by flat to
22 declining sales levels that resulted from reduced per-customer energy usage and a decline
23 in the traditional growth of TEP's customer base. As shown by the chart appearing later
24 in my Testimony, TEP sold essentially the same amount of electricity in 2012 as it did six
25 years ago in 2006, while adding approximately 14,000 new customers.

1 **Q. What has been the overall historical trend in base rates paid by TEP customers?**

2 A. TEP's base rates have increased three times and decreased three times over the last 20
3 years. Despite the rising cost of goods and services, including those tracked by the
4 Consumer Price Index ("CPI"), TEP's base rates, in real dollars, are lower than they were
5 in 1992, as shown in the following chart:

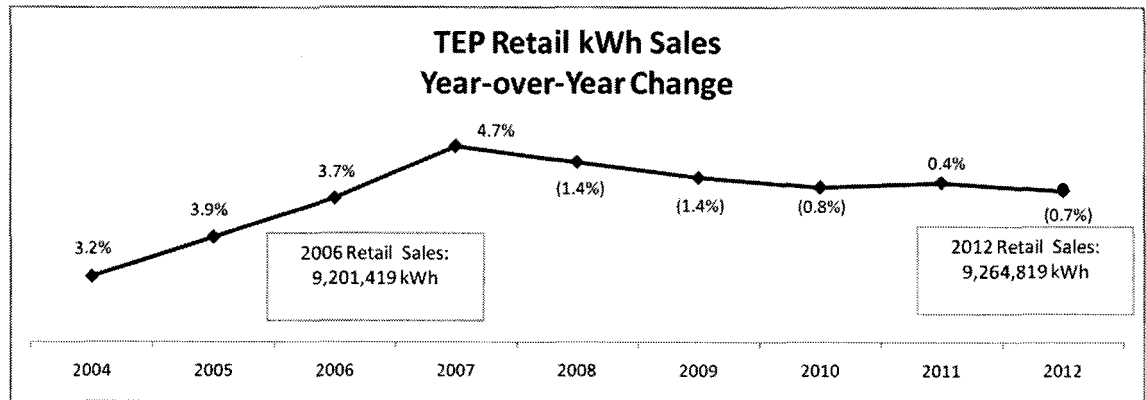


15 In years past, the rising costs borne by TEP were mitigated by growing energy sales
16 driven by an expanding customer base and increasing use per-customer. But that growth
17 has since stalled due to weak economic conditions, increasing Energy Efficiency ("EE")
18 requirements, and the rising number of distributed generation ("DG") resources installed
19 in our service territory, greatly increasing the burden imposed on TEP, especially as
20 service costs have escalated.

21
22
23 **Q. Were slower sales anticipated when TEP's current rates were approved?**

24 A. While we expected DG systems to limit sales to a small degree, our sales forecast at the
25 time assumed a more historical level of annual sales growth, from a combination of new
26 customer additions and increasing use per customer. TEP certainly did not assume that
27 the sales levels in 2012 would be essentially the same as in 2006. Additionally, it is

highly unlikely that the Commission, or any other party, would have predicted the actual sales levels shown in the chart below.



TEP also could not have predicted that the Commission would approve Energy Efficiency Standard (“EES”) containing such aggressive energy savings goals, without providing any way for the Company to recover the revenue losses attributable to compliance efforts (since base rates were frozen until January 1, 2013). Those lost revenues have been significant even in the EES’ early years. Finally, the penetration of DG reservations in TEP’s service area is greater than predicted, further reducing sales in the absence of a fixed cost recovery mechanism.

It is clear from the record that the prudently incurred cost increases TEP has endured during the rate freeze without the benefit of increased sales have rendered its current rates inadequate and do not afford the Company a reasonable opportunity to earn its authorized rate of return. TEP’s rate increase request is necessary to: (i) maintain safe and reliable service throughout its service area; (ii) comply with new environmental regulations; and (iii) build necessary infrastructure.

1 **Q. Please summarize the terms and provisions included in the Settlement Agreement.**

2 A. Under the terms of the Settlement Agreement, the average residential customer's average
3 monthly bill would increase by less than \$3.00 upon the effective date of new rates. The
4 total non-fuel base rate increase of \$76.4 million is significantly less than the \$127.8
5 million TEP originally sought. The Company can support this level of base rate increase
6 due to the adjustor mechanisms that are included in the Settlement Agreement which will
7 provide for recovery of some costs between rate cases, as well to "smooth out" the rate
8 impact for our customers.

9
10 The Settlement Agreement includes two new adjustor mechanisms: a Lost Fixed Cost
11 Recovery ("LFCR") mechanism that limits lost fixed cost recovery to revenues that are
12 measurably lost because of EE or DG, and an Environmental Compliance Adjustor
13 ("ECA") mechanism that allows the Company to recover its carrying costs of investments
14 necessary to comply with environmental mandates. Both of these adjustors have caps on
15 how much can be recovered from customers in any one year.

16
17 The Company's existing Purchased Power and Fuel Adjustment Clause ("PPFAC") was
18 modified to include additional costs and credits that are linked to the procurement of
19 power and fuel.

20
21 The Settlement Agreement includes an alternative approach to funding EE and Demand
22 Side Management ("DSM") programs through the existing DSM surcharge. Under the
23 proposed Energy Efficiency Resource Plan ("EERP"), investments in cost-effective
24 EE/DSM will be treated similarly to investments in traditional generation resources, with
25 the Company investing in EE/DSM programs and measures and recovering its costs
26 through the DSM surcharge.

1 The Settlement Agreement includes simplification and consolidation of TEP's rate
2 structure. The Settlement Agreement also includes changes to our existing rate structure
3 that provide the Company with a better opportunity to recover its fixed costs of providing
4 service. Mr. Dukes addresses this further in his testimony.

5
6 **III. SETTLEMENT PROCESS.**

7 **Q. Please provide an overview of the settlement process.**

8 A. Prior to the commencement of the formal settlement process, TEP held numerous
9 stakeholder meetings and four (4) technical conferences¹ that were attended by almost all
10 of the parties to this proceeding. Information regarding the topics of the technical
11 conferences was made available at the technical conferences and posted to the
12 Company's internet-based rate case data room for review and download for those parties
13 that could not attend in person. Pursuant to the Rate Case Procedural Order issued in this
14 Docket, formal settlement discussions were noticed and began on January 15, 2013, after
15 Direct Testimony was filed by the Commission's Utility Division ("Staff") and other
16 intervening parties.

17
18 Over the next three weeks, extensive discussions and negotiations were held with nearly
19 all participants until the Settlement Agreement was filed on February 4, 2013. All parties
20 to the Docket were notified of the meetings and invited to participate either in person or
21 telephonically. All parties were also notified prior to the meetings if documents were to
22 be presented at the meeting and such documents were made available through TEP's
23 internet-based rate case data room to those parties that could not attend the meetings in
24 person. A Preliminary Settlement Terms Sheet ("Term Sheet") was filed with the
25 Commission on January 22, 2013 after the parties believed a settlement framework had
26

27 ¹ The Stakeholder's Pre-filing Meeting was held on May 24, 2012. The Technical Conferences were held on
September 5, 11, and 28 and October 10, 2012.

1 been established. The Term Sheet was generally discussed at a Commission Open
2 Meeting on January 23, 2013. Thereafter, the final details of the Settlement Agreement
3 were negotiated and incorporated into a definitive draft. All parties were given the
4 opportunity to review and comment on the Settlement Agreement before it was finalized,
5 and given the opportunity to become Signatories to the Settlement Agreement before it
6 was filed on February 4, 2013.²

7
8 **Q. Has there been any reaction to the Settlement Agreement by the credit rating**
9 **agencies?**

10 A. Yes. On February 5, 2013, the day after the Settlement Agreement was filed, Moody's
11 Investors Service ("Moody's") published a report stating that it views the Settlement
12 Agreement as credit positive as it could reduce regulatory lag. Historically, Moody's has
13 considered the regulatory framework in Arizona to be below average among U.S. utilities
14 with due to the use of a historical test period and the lengthy decision process. The report
15 also pointed out the sizeable disparity between TEP's requested rate increase and the
16 amount included in the Settlement Agreement. However Moody's views the potential
17 settlement as a means to expedite final approval of the rate case and reduce regulatory
18 lag.

19
20 **Q. Does the Settlement Agreement contemplate when new rates would go into effect?**

21 A. Yes. Paragraph 1.6 of the Settlement Agreement requests the Commission to approve the
22 Settlement Agreement such that new rates would go into effect by July 1, 2013, which is
23 one year after TEP filed this case. If this was to happen, it would be a further indication
24 to the credit rating agencies that Arizona was continuing to reduce regulatory lag by
25

26
27 ² Four parties (Department of Defense/Federal Executive Agencies, Southern Arizona Water Users Association, Arizona Solar Energy Industries Association (AriSEIA), and Solar Energy Industries Association (SEIA)) became Signatories to the Settlement Agreement following the February 4, 2013 filing.

1 expeditiously processing major rate cases. This improved credit outlook benefits not
2 only the utilities in this State, but their customers as well.

3
4 **IV. TEP'S SUPPORT OF THE SETTLEMENT.**

5 **Q. Please discuss the reasons why TEP supports the Settlement Agreement.**

6 A. There are several reasons why TEP supports this settlement. First, the terms of the
7 Settlement Agreement made it possible for the Company to settle for a more moderate
8 base rate increase and results in an increase in the average residential customer's average
9 monthly bill of under \$3.00. As I mentioned above, during the five year base rate freeze,
10 it was necessary to invest a substantial amount of capital in TEP's system to maintain
11 safe and reliable service. While the total non-fuel base rate increase of \$76.4 million is
12 significantly less than the \$127.8 million TEP requested in its application, the other terms
13 of the Settlement Agreement, as well as the timeliness of this process, allowed TEP to
14 accept this lower increase.

15
16 Second, TEP can support this level of base rate increase due to the adjustor mechanisms
17 that are included in the Settlement Agreement (LFCR, ECA) which will provide for
18 recovery of some costs between rate cases, as well to "smooth out" the rate impact for
19 our customers.

20
21 Third, the settlement process that was conducted in this proceeding was open, transparent
22 and inclusive. In addition to Staff, there are 18 Intervenors in this proceeding. Of those
23 18 Intervenors (as of the date of the filing of this Testimony), 15 are actual Signatories to
24 the Settlement Agreement and have agreed to support the Settlement Agreement. The
25 Signatories to the Settlement Agreement represent diverse public interests including
26 residential ratepayers, commercial and industrial ratepayers, low income ratepayers,
27 homebuilders, large water users, labor, utility investors, renewable energy organizations,

1 and energy efficiency contractors. Each of these interests had a “seat at the table.” While
2 no Signatory, including TEP, received all that it sought or would have sought in
3 litigation, the Signatories agree that the Settlement Agreement satisfactorily addresses
4 their divergent issues and is clearly in the public interest.

5
6 Fourth, the rate design that the Settlement Agreement adopts will benefit all of TEP’s
7 customers. For example, residential customers will see an average monthly bill increase
8 of less than \$3.00 upon implementation of the new rates; low income customers will be
9 able to maintain their existing rate structure while receiving the same average base rate
10 increase as other residential customers;³ TEP’s rates will be streamlined and consolidated
11 to make them simpler and less confusing to customers; each rate class is paying closer to
12 its system average and closer to its actual cost of service; and small commercial
13 customers will receive a lower proportional increase.

14
15 Fifth, the delay of the implementation of the 2013 change to the PPFAC rate to
16 synchronize with the change in base rates and the lower DSMS from the EERP will be
17 less confusing to customers by not having multiple rate changes in 2013, and results in a
18 lower overall bill increase (less than \$3.00 per month).

19
20 **V. REVENUE REQUIREMENT.**

21 **Q. Please describe the revenue requirement agreed to in the Settlement Agreement.**

22 **A.** As set forth in Paragraph 2.1 of the Settlement Agreement, TEP will receive a non-fuel
23 base rate increase of \$76,194,000 over adjusted test-year retail revenues. This compares to
24 \$127,760,000 requested by TEP in its application in this docket. The settlement amount
25 also falls within Staff’s initial range for a base rate increase of \$75,405,000 and
26

27 ³ TEP has also increased its shareholder-funded contribution to help fund low income assistance programs through a
\$150,000 annual contribution.

1 \$84,036,000. Mr. Dukes addresses the revenue requirement in more detail in his
2 testimony.

3
4 **Q. What is the cost of capital under the Settlement Agreement?**

5 A. As set forth in Section IV of the Settlement Agreement, TEP's return on common equity
6 ("ROE") will be 10.0% and its embedded cost of debt will be 5.18% for long-term debt
7 and 1.42% for short-term debt. Using TEP's actual test-year capital structure and a return
8 on the fair value increment of rate base of 0.68%, the Settlement Agreement adopts a fair
9 value rate of return of 5.05%.

10
11 The agreed upon ROE matches the 10% originally proposed by RUCO in this case and is
12 significantly lower than the 10.75% initially requested by TEP. The fair value rate of
13 return is significantly lower than the 5.64% approved in TEP's last rate case, primarily
14 because TEP has lowered its cost of debt in recent years and because TEP's ROE drops
15 from 10.25% to 10.0%.

16
17 **Q. How does the non-fuel revenue increase benefit TEP?**

18 A. As set forth in TEP's Application and Direct Testimony in this case, increased revenue is
19 critical for TEP. The revenue increase will enable the Company to continue the positive
20 momentum created by the 2008 Settlement Agreement. The 2008 Settlement Agreement
21 provided TEP with the ability to gradually improve the Company's financial condition
22 through a base rate increase and the adoption of a rate mechanism that allows for the
23 timely recovery of fuel and purchased power costs, thereby creating more stable operating
24 cash flows. The stability of cash flows (i) led to an increase in TEP's bond ratings, and (ii)
25 provided flexibility that allowed TEP to continue to reduce its debt leverage, enabling TEP
26
27

1 to continue improving its capital structure.⁴ All of these financial improvements allowed
2 TEP to compete for, and attract, capital on favorable terms.

3
4 However, almost five years have passed since TEP's last rate increase and TEP continues
5 to face significant financial challenges. TEP's current retail rate structure simply cannot
6 support the 2011 test-year original cost rate base of \$1.5 billion, let alone provide the
7 financial flexibility to attract capital to help fund significant utility infrastructure
8 investments over the next five years that are necessary to maintain and improve safe and
9 reliable service. The rate relief provided by the Settlement Agreement will strengthen
10 TEP's underlying financial position and credit metrics, and could ultimately result in
11 higher credit ratings, all of which will help TEP attract capital at reasonable terms,
12 thereby reducing costs and helping to minimize future rate increases to our customers.

13
14 **VI. ADJUSTOR MECHANISMS.**

15 **A. Purchased Power and Fuel Adjustment Clause.**

16 **Q. Please provide a description of the modifications to the Purchased Power and Fuel**
17 **Adjustment Clause (PPFAC).**

18 **A.** TEP's existing PPFAC mechanism will continue to collect or refund to customers the
19 actual costs of fuel and purchased power that are above or below the amount included in
20 base rates. The Settlement Agreement modifies the PPFAC to allow the inclusion of
21 certain costs and credits, including lime costs; broker fees; sulfur credits and 100% of
22 revenues from the sale of SO2 emission allowances.

23
24
25
26
27

⁴ TEP's capital structure in the 2006 test year was 39.5% equity and 60.5% debt. TEP's capital structure in the 2011
test year was 43.5% equity and 56.5% debt.

1 **Q. Does the Settlement Agreement establish a new PPFAC rate?**

2 A. Yes. On the effective date of new rates, the PPFAC rate will be set as a credit of
3 \$0.001388 per kilowatt hour ("kWh"). This rate includes a one-time \$3 million credit
4 related to previous sulfur credits and a \$9.7 million deferral of costs related to a thermal
5 event at the San Juan mine. In order to avoid customer confusion and reduce the impact
6 of the increase on our customers, the Signatories to the Settlement Agreement believe it
7 is in the public interest to defer the next reset of TEP's PPFAC rate from April 1 to the
8 effective date of new rates in this docket.

9
10 **B. Environmental Compliance Adjustor Surcharge.**

11 **Q. Please describe the Environmental Compliance Adjustor ("ECA").**

12 A. As set forth in my Direct Testimony, the ECA is a mechanism that will allow TEP to
13 recover a portion of the significant costs required to meet environmental compliance
14 standards imposed by federal or other governmental agencies between rate cases. TEP,
15 and the industry in general, is facing an ever-increasing number of rules creating more
16 stringent environmental standards that require the Company to invest an unprecedented
17 amount of capital in its generation resource portfolio over the next five years. The
18 Environmental Protection Agency ("EPA") and other federal agencies recently have
19 mandated through various rulemakings that certain electric utility generating facilities
20 install, upgrade, and revise environmental control measures and practices. The carrying
21 costs associated with investments necessary to comply with environmental regulations
22 will be recovered through the ECA surcharge.

23
24 **Q. Please describe the types of investments TEP proposes to include in the ECA.**

25 A. As described in my Direct Testimony, costs recovered through the ECA will include
26 environmental improvement projects required to comply with current and future federal,
27 state, tribal, and local environmental standards. In general, these environmental

standards seek to reduce the emission of certain substances including: SO₂, nitrogen oxide, carbon dioxide, ozone, particulate matter, volatile organic compounds, mercury and other toxics, coal ash and other combustion residuals.

Q. How will customers benefit from the ECA?

A. The ECA will provide additional cash flow to help TEP recover the costs of capital additions on a more timely basis and support credit quality. This can lower financing costs to the benefit of our customers. More importantly, the ECA will moderate the impact on our customers by avoiding the large rate increases that would result from deferring these costs to a future rate filing. In addition, the annual amount collected from customers through the ECA capped at 0.25% of TEP's retail revenues, or approximately \$2.3 million.

C. Lost Fixed Cost Recovery Mechanism.

Q. Please describe the Lost Fixed Cost Recovery mechanism proposed in the Settlement Agreement.

A. The LFCR is a mechanism narrowly tailored to collect distribution and transmission service costs that would have been recovered through usage lost to EE programs and DG systems. It is not intended to recover lost fixed costs attributable to other factors, such as generation, weather or general economic conditions. As such, it is not a full decoupling mechanism. The LFCR will have a 1% year-over-year cap based on total applicable TEP retail revenues and is similar to the LFCR approved by the Commission for other Arizona utilities.

The LFCR will be applied to all customers' bills through a per kWh rate, excluding large light and power, water pumping and lighting customers. For the customer classes exempted from the LFCR, rates will be designed to collect their fair share of the fixed

1 costs through their monthly minimum and/or demand charge.

2
3 Residential customers who do not want to be charged the standard LFCR variable rate
4 charge based on kWh usage will have the option of choosing a fixed, monthly LFCR
5 charge. TEP will implement an extensive customer education and outreach program to
6 help customers understand the new LFCR and available options.

7
8 **Q. Why is the LFCR a necessary mechanism for TEP?**

9 A. As described in my Direct Testimony, TEP's current rate structure is designed to recover
10 the Company's authorized revenue requirement primarily through usage-based kWh
11 sales. The volumetric rate charged for those sales is calculated based on the system-wide
12 usage, based largely on the sales volumes experienced during the rate case test year. A
13 majority of the costs included in TEP's revenue requirement, however, do not vary with
14 kWh sales, but are fixed in nature.

15
16 Given the current rate structure, when kWh sales decline as a result of EE programs and
17 DG systems, TEP is unable to recover the fixed distribution and transmission costs that
18 are embedded in its volumetric-based rates. As a result, without a mechanism in place to
19 capture and recover these lost revenues, TEP's rates are inadequate as they do not
20 provide the Company with a reasonable opportunity to recover certain costs or achieve its
21 Commission-authorized rate of return.

22
23 **VII. ENERGY EFFICIENCY RESOURCE PLAN.**

24 **Q. Please describe the EERP.**

25 A. The EERP allows TEP to invest in cost-effective EE programs and recover those costs,
26 including a return on its investment, but not a performance incentive, from customers
27 through the DSM surcharge over a five year period. Currently, TEP recovers EE

1 program costs, including a performance incentive, from customers through the DSM
2 surcharge over a one year period and expenses the costs of implementing these programs
3 as they are incurred.
4

5 Under the EERP, as TEP invests in cost-effective EE programs, it will record its
6 investment as regulatory asset and amortize the investments over five years. TEP will
7 recover its annual EE amortization expense and a return on the EE investment (based on
8 the Company's approved Weighed Average Cost of Capital) from customers through the
9 DSM surcharge. The Company will only be allowed to recover the costs of its EE/DSM
10 investments if TEP demonstrates that certain performance metrics have been met. The
11 EERP is not intended to bind the Commission to a specific EE policy or standard.
12

13 **Q. Does TEP Support the EERP?**

14 A. Yes. As I describe in more detail below, the EERP allows the Company to treat energy
15 efficiency in a manner that is in the best interest of our customers.
16

17 **Q. Please describe, in general, the EERP review process.**

18 A. Consistent with current practice, annual implementation plans and budgets will be filed
19 with the Commission for review and approval. TEP will be allowed to invest in EE/DSM
20 programs and measures, only up to the total budgeted amount, approved by the
21 Commission. Additional information about the EERP process is included in Exhibit
22 DGH-1 to my testimony and in the EERP Plan of Administration set forth in Attachment
23 "D" to the Settlement Agreement.
24

25 **Q. Please describe the benefits associated with the EERP.**

26 A. By collecting the annual costs of EE over a five year period (instead of the current one
27 year period), the EERP would "smooth" the rate impacts to TEP's customers and better

1 synchronize the benefits of EE with their associated costs. The Commission would
2 continue to review and approve EE implementation plans and budgets. However, if the
3 Company's investments do not provide results above the minimum expected energy
4 savings and below a targeted price per kWh, then TEP will not be allowed to recover its
5 costs related to EE/DSM programs. The EERP Plan of Administration describes the
6 performance metrics that will be established in the implementation plans, as approved by
7 the Commission, that the Company is required to meet before cost recovery is at risk.
8

9 **Q. Will the EERP provide TEP with an opportunity to meet the energy savings targets**
10 **included in the EE Standard set forth in A.A.C.R14-2-2401, et seq?**

11 A. The EE programs implemented by TEP have been below levels necessary to meet the
12 2012 cumulative annual energy savings target of 3% and cannot be ramped up quickly
13 enough to meet the 5% target established for 2013. Because the energy savings targets
14 established in the EE Standard are cumulative, regardless of the funding methodology
15 approved by the Commission, it is likely TEP will fall short of the these targets going
16 forward. .
17

18 **Q. Would allowing TEP to capitalize its EE investments remove a natural disincentive**
19 **preventing TEP from investing in cost-effective EE and help place EE on a more**
20 **level playing field with TEP's other resource options?**

21 A. Not on its own. EE can and should be evaluated on a level playing field with other
22 resource options, provided that it is combined with the LFCR mechanism that
23 compensates the Company for its unrecovered fixed costs associated with the lost sales.
24 Based on analysis performed in conjunction with TEP's Integrated Resource Planning
25 efforts, the Company believes that savings produced by certain EE programs and
26 measures will cost less than traditional supply-side resources, help reduce peak load
27 requirements, reduce fuel and purchased power costs, and, in the future, may reduce the

1 need for investment in new generation resources.

2
3 Investments in EE under the EERP however are inherently more risky than investing in
4 traditional generating resources. Unlike investing in a power plant, TEP's EE
5 investments produce only intangible assets with no value outside of the Commission's
6 rules. In addition, the Company is at risk for recovering its costs if the EE measures do
7 not meet two annual performance metrics, including the amount of kWh saved and the
8 associated cost per kWh.

9
10 **Q. Is the Company providing an alternative EE cost recovery methodology for**
11 **comparison purposes?**

12 **A.** Yes. The Company could continue recovering its costs under the existing rules that allow
13 TEP to recover annual EE/DSM costs, including a performance incentive, from
14 customers over a one year period. This is similar to the methodology previously
15 approved by the Commission for other Arizona utilities, as described in Exhibit DGH-2.

16
17 In the event the Commission does not adopt the EERP, the Company requests the
18 Commission approve EE recovery for TEP under the existing rules ("Existing EE Rule
19 Option") described below and in Exhibit DGH-2. Specifically, the Company needs the
20 Commission to approve an EE implementation plan, including programs and budget, as
21 well as the establishment of a new performance incentive in this rate case.

22
23 **Q. Please describe TEP's proposed Existing EE Rule Option.**

24 **A.** TEP proposes approval of the programs and measures included in TEP's 2011-2012
25 DSM/EE Implementation Plan, as modified in Staff's November 16, 2011 Open Meeting
26 Memorandum (Docket No. E-01933A-11-0055). The associated program budgets would
27 be pro-rated for the latter half of 2013.

1
2 The Existing EE Rule Option includes a performance incentive equal to 8% of the net
3 benefits (as reported in TEP's March 1 DSM progress report), however capped at
4 \$.0125/kWh saved. The performance incentive may be modified outside of a rate case as
5 part of the Company's EE implementation plan.
6

7 **Q. What are the benefits of the proposed performance incentive structure?**

8 A. By capping the performance incentive based on a cost per kWh saved, TEP is rewarded
9 by achieving the greatest amount of DSM/EE savings rather than on DSM/EE spending.
10 This type of incentive structure encourages the Company to implement the most cost-
11 effective programs and measures by rewarding better performance.
12

13 **Q. Has the Commission previously approved a similar performance incentive?**

14 A. Yes. The Commission recently approved a similar performance incentive structure for
15 Arizona Public Service ("APS") in Decision No. 73183 (May 29, 2012). Additionally, in
16 adopting this performance incentive, the Commission retained the ability to modify the
17 performance incentive outside of a rate case in conjunction with the annual EE
18 implementation plans.
19

20 **Q. Why is the approval of a performance incentive necessary should the Commission**
21 **decide to not adopt the EERP?**

22 A. As the record reflects in TEP's most recent EE proceeding (Docket No. E-01933A-11-
23 0055), some parties took the position that TEP's existing Commission-approved
24 performance incentive could not be changed outside of a rate case and that if the
25 Commission was to establish a new performance incentive, it should be done in this
26 Docket. If the Commission does not adopt the EERP, to the extent it believes that a
27 performance incentive mechanism must be established in a rate case, a new performance

incentive must be adopted for the Company to be able to continue its EE programs pursuant to the Commission's EE Rules. Further, TEP would request a finding that its performance incentive can be adjusted outside of this rate case.

Q. Please compare the EERP and the Existing EE Rule Option.

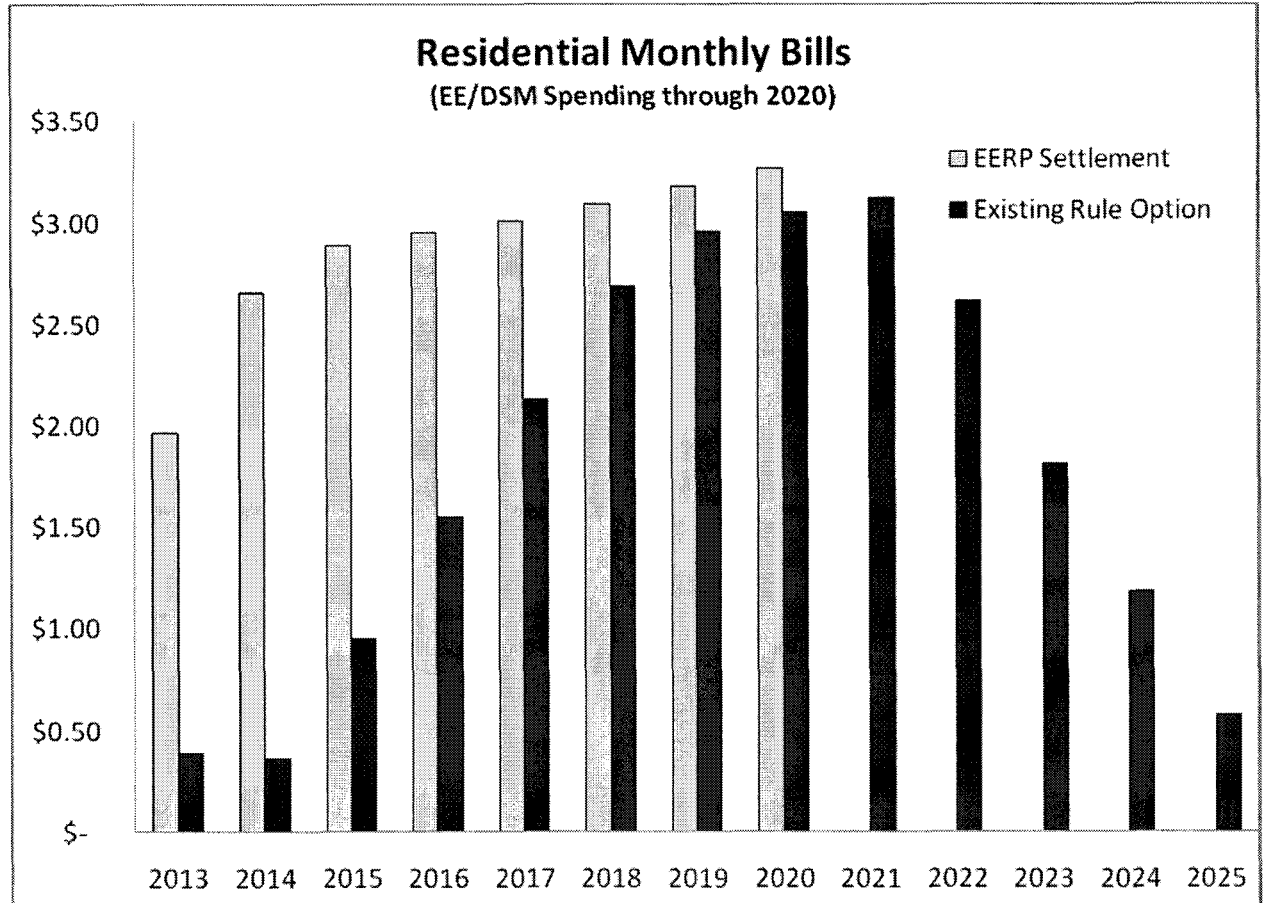
A. See the table below.

Topic	Existing EE Rule Option	EERP Settlement Position
Program and Budget Approvals	Requires annual or bi-annual filings for an EE Implementation Plan that must be approved by the Commission .	Requires annual filings for an EE Implementation Plan that must be approved by the Commission .
Requested Budget	Budget included in TEP's 2011-2012 DSM/EE Implementation Plan as modified in Staff's November 16, 2011 Open Meeting Memorandum (Docket No. E-01933A-11-055) - Prorated for 2013 (\$12,369,596) plus incremental dollars spent (approx. \$3 million) between March 1 and the effective date for program ramp up.	Same as the Existing EE Rule Option
Requested Programs	Programs and measures included in TEP's 2011-2012 DSM/EE Implementation Plan as modified in Staff's November 16, 2011 Open Meeting Memorandum (Docket No. E-01933A-11-055)	Same as the Existing EE Rule Option
Demand Side Management Surcharge (DSMS)	Estimated from approved EE Implementation Plan and collected concurrent with actual spending. Average Monthly Residential DSMS = \$1.95 in 2013	Calculated after actual spending of approved EE Implementation Plan and DSMS approval on June 1st following EOY program spending. Average Monthly Residential DSMS = \$0.39 in 2013
Cost Recovery	Utility performance incentive at risk and tied to performance metrics. All program costs recovered.	No performance incentive. All costs at risk and tied to performance metrics.
Recovery time-period	Recovery of all Commission-approved costs within one year	Recovery of all Commission-approved costs within six years (5-year amortization and a 1-year delay in recovery of depreciation after verification)

1 **Q. How will the estimated monthly DSM surcharge amounts from the EERP compare**
2 **to the Existing EE Rule Option change over time?**

3 A. Under the EERP, assuming the Commission approves EE investments by TEP in
4 subsequent years, the DSM surcharge will increase as Company demonstrates its EE
5 program have met the EERP's performance metrics established in TEP's annual
6 implementation plans. The DSM surcharge will be determined following verification of
7 savings and filed March 1st of each year for previous year's results. If no further EE
8 investments are approved under the EERP, the DSM surcharge will collect the costs
9 approved in this proceeding until those costs are fully recovered.

10
11 Under the Existing EE Rule Option, TEP's DSM surcharge will change annually based
12 on the EE Implementation Plan budgets approved by the Commission, with 100% of the
13 program costs and performance incentive collected from customers in one year.



1 **Q. Do you have any other information you would like to provide?**

2 A. I would like to remind the Commission that without approval of TEP's 2011-2012 EE
3 Implementation Plan, the Company cancelled certain existing programs and limited
4 participation in others, despite the significant public comment in support of TEP's EE
5 programs at the hearing. As part of the settlement discussions, TEP has agreed to resume
6 spending for certain DSM/EE Programs effective March 1, 2013 in advance of a
7 Commission decision on this case. TEP believes this is the right action to take for its
8 customers and its community. The Signatories propose to recover these costs through the
9 DSM surcharge through whichever EE recovery methodology is approved by the
10 Commission in this case.
11

12 **VIII. OTHER PROVISIONS.**

13 **Q. The Settlement Agreement also resolves several issues that are not related to revenue**
14 **requirement or adjustor mechanisms. Please address those provisions.**

15 A. The testimony of the various parties to this case raised several issues that were not directly
16 related to the immediate revenue requirement issues. The Settlement Agreement includes
17 provisions as to how to resolve those issues or how to address those issues in the future. I
18 will address several of those provisions and Mr. Dukes will address the remainder
19

20 **Q. What is the purpose of Section X of the Settlement Agreement regarding**
21 **Springerville Unit 1?**

22 A. TEP currently owns 14% of Springerville Unit 1 and leases the remaining capacity. Under
23 the lease, TEP has an option to purchase the remaining capacity of Springerville Unit 1 in
24 2015. Section X sets forth the information that TEP will formally provide to the
25 Commission regarding the status of Springerville Unit 1.
26
27

1 **Q. Please explain Section XI of the Settlement Agreement regarding Procurement.**

2 A. As part of its analysis of TEP's application in this Docket, Staff engaged a consultant to
3 conduct an audit of TEP's PPFAC and a review of TEP's power and fuel procurement
4 practices. Staff's consultant recommended several modifications to TEP's energy
5 procurement program and TEP has agreed to adopt all but one of the recommendations.
6

7 **Q. What is the provision concerning the Nogales Transmission Line?**

8 A. Section XIII of the Settlement Agreement explains how TEP will seek recovery of the cost
9 of developing the 345kV line between Tucson and Nogales. TEP had requested recovery
10 of those costs in this rate case. However, TEP has now agreed to seek recovery from the
11 Federal Energy Regulatory Commission ("FERC") before requesting any recovery from
12 the Commission. This provision is not intended to guarantee that TEP will be able to
13 recover through retail rates any costs that are not recovered through a FERC proceeding.
14

15 **Q. What is the San Juan Thermal Event provision in Section XIV?**

16 A. As a result of a fire at the San Juan coal mine, TEP incurred additional fuel costs in its
17 efforts to replace the coal it normally received from the mine. Although fuel costs are
18 typically passed through the PPFAC, the increased costs resulting from the fire may be
19 covered in whole or in part by insurance. Therefore, TEP has agreed to defer recovering
20 any uninsured additional fuel costs until issues regarding the insurance coverage are
21 settled.
22

23 **Q. Please explain the Quality of Service provision in Section XVIII.**

24 A. As part of its rate case analysis, Staff engaged an engineering consultant to review TEP's
25 plant and operations. As a result of the consultant's review, Staff identified several issues
26 to ensure continuing quality of service. Section XVIII sets forth what actions TEP will
27 undertake as a result of Staff's review.

1 **Q. Why is TEP requesting to eliminate or modify certain reporting requirements?**

2 A. Some previous Commission orders included compliance requirements without any
3 “sunset” date. Several of those orders are quite old and the compliance requirements are
4 moot or no longer necessary. The two reporting requirements that are being eliminated
5 date from 1989 and 1990. The reporting requirement that is being modified dates from
6 1989. Section XIX of the Settlement Agreement (and Attachment “L” thereto) set forth
7 the specific information for each change.

8
9 **Q. Section XX of the Settlement Agreement sets forth several additional settlement
10 provisions. Could you please explain the purpose of those provisions?**

11 A. This section includes provisions to address a variety of issues that arose during the course
12 of the settlement discussions, but which are not necessarily being resolved as part of this
13 docket.

14
15 Paragraph 20.1 is intended to require TEP to propose a similar treatment of the retail space
16 in TEP’s headquarters building in the next TEP general rate case. This provision is not
17 intended, however, to bind the Commission on that treatment in the next rate case.

18
19 Paragraph 20.2 requires TEP to request the opening of a generic docket to address the
20 appropriate treatment of Net Operating Losses in rate cases. This issue may arise more
21 frequently as a result of increased bonus depreciation opportunities.

22
23 Paragraph 20.3 addresses RUCO’s concern about TEP’s depreciation reserves.

24
25 Paragraph 20.4 provides a process for addressing RUCO’s concerns about distribution
26 plant. Commission Staff did review TEP’s plant and found that it was used and useful.
27 However, this process will provide an on-going dialog with RUCO and Staff about future

1 capital expenditure, particularly on distribution plant. Over the next three years, TEP will
2 meet with Staff and RUCO in the fourth quarter to review its capital expenditure plans.

3
4 Paragraph 20.5 is intended to update a pending interruptible tariff filing from TEP's
5 previous rate case.

6
7 Paragraph 20.6 addresses a request from AECC to consider a rate for very large customers.
8 TEP will propose such a rate in its next rate case.

9
10 **X. CONCLUSION.**

11 **Q. Do you have any concluding remarks?**

12 A. The rates TEP has proposed in this filing reflect both the necessities created by five years
13 of unrecovered costs and our commitment to avoid similar consequences in the future.
14 Now that we understand TEP's historic sales growth is just that – history – we must find
15 ways to recover our rising costs promptly and gradually, without the lengthy delays that
16 lead to large rate requests. The Settlement Agreement includes mechanisms that will
17 allow timely recovery of the Company's rising service costs in ways that generate
18 smoother, more moderate rate increases. These changes will help our customers manage
19 their energy expenses while providing TEP, for the first time in years, with a reasonable
20 opportunity to earn its Commission-authorized return on its investment in safe and
21 reliable service.

22
23 **Q. Does this conclude your Direct Testimony in support of the Settlement Agreement?**

24 A. Yes.
25
26
27

EXHIBIT

DGH-1

Exhibit DGH-1

2013 ENERGY EFFICIENCY RESOURCE PLAN (“EERP”)

The success of the EERP is predicated on the approval of the programs and measures recommended in the November 16, 2011 Staff Open Meeting Memorandum (Docket No. E-01933A-11-0055), but with pro-rated budgets to the effective date of the decision in this docket, and that Commission approval of the EERP and the corresponding Demand Side Management Surcharge (“DSMS”) has been granted.

- Beginning in 2013, TEP will file an annual EE Implementation Plan for the following program year (“Plan”) in accordance with A.A.C. R14-2-2401, et seq. on or before June 1st of each year. The Plan shall include the following:
 - New Proposed Programs
 - New Proposed Measures
 - Estimate of customer/contractor participation
 - Societal Test for each program
 - Annual Budget
 - Annual and Lifetime MWh Savings
 - Lifetime \$/kWh for each program and for the portfolio of programs
- TEP will calculate the cost effectiveness (Societal Test) of each new measure and each new program using the Societal Test methodology approved by Staff, including hourly load shapes.
- TEP will file the Societal Test results for each new measure and each new program in the annual EE Implementation Plan.
- Beginning in 2013, Staff will review the following year’s EE Implementation Plan as filed by June 1st and file a Staff Report and a proposed order by November 15th of each year. This process will continue until further order of the Commission.
- The Commission will approve each annual EE Implementation Plan, which includes the budgets and programs, prior to TEP’s implementation.
- Beginning in 2014, on March 1 of each year, TEP will file an annual request to reset the DSMS to adjust monthly customer contribution for recovery of DSM/EE investment from the previous year. Staff will review the annual DSMS reset request and file a Staff Report and a proposed order.
- The Commission will approve each DSMS adjustment prior to TEP’s implementation. The date for resetting the DSMS is June 1st of each year.

- Beginning in 2013, TEP will recover the costs associated with the EERP if the results of the EE and/or DSM investments achieve a minimum annual portfolio level savings of 84,024 kWh and do not exceed the maximum portfolio level cost \$0.02208 per kWh based on lifetime savings or as set in the Annual Implementation Plan.
- Unless otherwise ordered by the Commission, all programs and budgets approved in the previous year's Implementation Plan will continue until a new EE Implementation Plan is approved by the Commission.
- The table below outlines the programs and pro-rated budgets for 2013 (July – December) as outlined in Staff Open Meeting Memorandum (Docket No. E-01933A-11-0055) dated November 16, 2011. Total Budgets for 2013 will also include incremental dollars spent between March 1 and the effective date for program ramp up.

Table 1: 2013 TEP Programs and Pro-rated Budgets ⁽¹⁾

TEP EE/DSM Programs	Jul '13 - Dec '13
Residential Efficiency Programs	
Low-Income Weatherization	\$308,226
Appliance Recycling	\$429,767
Residential New Construction	\$883,423
Existing Home (was Efficient Home Cooling)	\$1,757,443
Shade Tree Program	\$162,791
Efficient Products (CFL)	\$1,215,748
Residential & Small Commercial DLC	\$92,408
Multi-Family Direct Install	\$84,869
Residential Subtotal	\$4,934,674
Non-Residential Efficiency Programs	
Bid For Efficiency	\$251,546
C&I Comprehensive Program	\$2,142,928
Small Business Direct Install	\$1,460,543
Commercial New Construction	\$203,160
CHP Joint Program (Pilot)	\$11,000
C&I Schools Program	\$78,971
C & I DLC	\$1,375,980
Retro-Commissioning	\$87,760
Non-Residential Subtotal	\$5,611,886
Support Programs	
Education and Outreach	\$97,000
Residential Energy Financing	\$221,323
Codes Support	\$37,745
Support Programs Subtotal	\$356,068
Behavioral Programs	
Home Energy Reports	\$336,895
Behavioral Comprehensive Program	\$805,502
Behavioral Subtotal	\$1,142,397
Program Totals	\$12,045,024
Program Develop, Analysis & Reporting Software	\$324,573
Sub-total	\$324,573
Total	\$12,369,596

(1) Programs and pro-rated budgets as recommended in the Staff Open Meeting Memorandum (Docket No. E-01933A-11-0055) dated November 16, 2011

EXHIBIT

DGH-2

Exhibit DGH-2

Existing EE Rule Option

In order to provide a comparison to the EERP, the following information is provided to explain the Existing EE Rule Option. First, the Existing EE Rule Option would commence with the approval of the programs and measures recommended in the November 16, 2011 Staff Open Meeting Memorandum (Docket No. E-01933A-11-0055) but with a pro-rated budget for 2013. Second, TEP's performance incentive shall be calculated by taking 8% of the net benefits (as reported in TEP's March 1 DSM progress report) but capped at \$0.0125/kWh saved. This performance incentive is similar to the performance incentive recently approved by the Commission for Arizona Public Service ("APS") in Decision No. 73183 (May 29, 2012). Third, the DSMS would be set at \$0.002232 per kWh. Fourth, the Commission will be able to modify the performance incentive outside of a rate case.

- Beginning in 2013, TEP will file an annual or biennial EE Implementation Plan for the following year in accordance with A.A.C. R14-2-2401, et seq. on or before June 1st of each year. The plan shall include the following:
 - New Proposed Programs
 - New Proposed Measures
 - Estimate of customer/contractor participation
 - Societal Test for each program
 - Annual Budget
 - Proposed Utility Performance Incentive
 - Annual and Lifetime MWh Savings
 - Lifetime \$/kWh for each program and for the portfolio of programs
- TEP will calculate the cost effectiveness (Societal Test) of each measure and each program using the Societal Test methodology approved by Staff including hourly load shapes.
- TEP will file the Societal Test results for each new measure and each new program in the annual EE Implementation Plan.
- Beginning in 2013, Staff will review the 2014 EE Implementation Plan as filed by June 1st and file a Staff Report and a proposed order by each November 15th. This process will repeat annually until further order of the Commission.
- Commission will approve each annual EE Implementation plan prior to TEP's implementation.

- Beginning in 2014, on March 1st of each year, TEP will file an annual request to reset the DSMS to adjust monthly customer contribution for recovery of DSM/EE spending from the previous year and adjusted for over or under recovery. Staff will review annual DSMS adjustment and prepare a proposed order outlining recommendations and modifications.
- The Commission will approve each DSMS adjustment prior to TEP's implementation. The date for resetting the DSMS is June 1st of each year.
- Beginning in 2013, TEP will recover the allowable costs associated with the Existing EE Rule Option and the approved performance incentive.
- Unless otherwise ordered by the Commission, all programs, performance incentive structures, and budgets approved in the previous year's Implementation Plan will continue until the new EE Implementation Plan is approved by the Commission.
- The table below outlines the programs and pro-rated budgets for 2013 (July – December) as outlined in Staff Open Meeting Memorandum (Docket No. E-01933A-11-0055) dated November 16, 2011. Total Budgets for 2013 will also include incremental dollars spent between March 1 and the effective date for program ramp up.

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Non-Residential Efficiency Programs	
Bid For Efficiency	\$251,546
C&I Comprehensive Program	\$2,142,928
Small Business Direct Install	\$1,460,543
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C&I Schools Program	\$78,971
C & I DLC	\$1,375,980
Retro-Commissioning	\$87,760
Non-Residential Subtotal	\$5,611,886
Support Programs	
Education and Outreach	\$97,000
Residential Energy Financing	\$221,323
Codes Support	\$37,745
Support Programs Subtotal	\$356,068
Behavioral Programs	
Home Energy Reports	\$336,895
Behavioral Comprehensive Program	\$805,502
Behavioral Subtotal	\$1,142,397
Program Totals	\$12,045,024
Program Develop, Analysis & Reporting Software	\$324,573
Sub-total	\$324,573
Total	\$12,369,596

(1) Programs and pro-rated budgets as recommended in the Staff Open Meeting
Memorandum (Docket No. E-01933A-11-0055) dated November 16, 2011

Direct Testimony of Dallas J. Dukes

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

**BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH**

**IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01933A-12-0291
TUCSON ELECTRIC POWER COMPANY FOR)
THE ESTABLISHMENT OF JUST AND)
REASONABLE RATES AND CHARGES)
DESIGNED TO REALIZE A REASONABLE)
RATE OF RETURN ON THE FAIR VALUE OF)
ITS OPERATIONS THROUGHOUT THE STATE)
OF ARIZONA.)**

Direct Testimony of

Dallas J. Dukes

In Support of the Settlement Agreement

on Behalf of

Tucson Electric Power Company

February 15, 2013

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Exhibits

Exhibit DJD-1 – Proof of Revenue and Unbundled Tariffs

Exhibit DJD-2 – Bill Impact Summary

Exhibit DJD-3 – Revised LFCR Plan of Administration and Schedules

Exhibit DJD-4 – Rules and Regulations (redline)

Exhibit DJD-5 – Statement of Charges

1 **I. INTRODUCTION.**

2
3 **Q. Please state your name and business address.**

4 A. Dallas J. Dukes, 88 East Broadway, Tucson, Arizona.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am the Senior Director of Pricing and Economic Forecasting for Tucson Electric Power
8 Company ("TEP" or "Company").
9

10 **Q. Did you provide direct testimony in this proceeding?**

11 A. Yes.
12

13 **II. SUMMARY OF TESTIMONY.**

14
15 **Q. What is the purpose of your testimony?**

16 A. I am testifying in support of the Settlement Agreement filed on February 4, 2013. In my
17 testimony, I address the following:

- 18 • The revenue requirement agreed to in the Settlement Agreement and the significant
19 reduction from the Company's original filed position on July 2, 2012.
- 20 • The key rate allocation and rate design provisions that are part of the Settlement
21 Agreement, including some of the benefits both the Company and its customers are
22 receiving.
- 23 • The agreed-upon Lost Fixed Cost Recovery ("LFCR") and why it is an appropriate
24 mechanism that will be effective in recovering fixed costs not recovered in base
25 rates due to sales reductions because of Energy Efficiency/Demand Side
26 Management ("EE/DSM") or Distributed Generation ("DG").
27

- The proposed revisions to TEP's Rules and Regulations.

III. REVENUE REQUIREMENTS.

Q. Please describe the settled-upon gross revenue increase.

A. With respect to non-fuel revenues, the Settlement Agreement provides for a non-fuel gross revenue increase of approximately \$76.194 million. This amount is over \$50 million less than the \$127.760 million that the Company originally requested. Keep in mind that the Company's original request was a conservative proposal compared to what it believed it could have reasonably requested in light of several operating expense and fair value adjustments it did not propose in its Application. Even so, for this case, the Company could agree to such a significant decline from its original position as a result of other provisions in the Settlement Agreement.

With respect to the fuel and purchased power costs that are passed through to customers, the signatories to the Settlement Agreement ("Signatories") have agreed to a base fuel rate increase of \$31.600 million (and a base fuel and purchased power rate of \$0.032335 per kWh). However, the Signatories have also agreed to a reset of the Purchased Power and Fuel Adjustor Clause ("PPFAC") fuel rate on the effective date of new rates in this case. The combination of these changes result in a net reduction of fuel cost of \$52.751 million annually as compared to the level currently being paid by customers.

The result of the non-fuel base rate increase and the fuel rate decrease is a modest overall increase in total rates for customers, and is one of the big benefits to customers.

1 **Q. What are some of the major facets of the agreed-upon revenue requirement?**

2 A. Attachment "A" to the Settlement Agreement sets forth the adjustments to TEP's initial
3 revenue requirement that resulted in the Settlement Agreement revenue requirement. This
4 is the result of extensive negotiations principally with Commission Staff, the Residential
5 Utility Consumer Office ("RUCO") and Arizonans for Electric Choice and Competition /
6 Freeport McMoRan Copper & Gold Inc. (collectively known as "AECC"), which are the
7 parties in the docket that addressed revenue requirement in their Direct Testimony.
8 Several of the adjustments reflect what one or more of these parties had proposed in that
9 testimony.

10

11 **Q. Did the Signatories come to an agreement on depreciation rates?**

12 A. Yes. The Signatories agreed that the depreciation rates that TEP proposed through the
13 Direct Testimony of Dr. Ronald White and his Exhibit REW-1 filed July 2, 2012, would be
14 accepted.

15

16 **Q. What happened to sulfur credits and lime expenses that were originally in base rates
17 for the Company?**

18 A. Those items were adjusted out of base rates; instead, both the sulfur credit and lime
19 expense will flow through TEP's PPFAC. This is appropriate because those costs are
20 directly linked to the cost of fuel. Mr. David G. Hutchens explains this and other aspects
21 of TEP's PPFAC in more detail in his Direct Testimony supporting the Settlement
22 Agreement.

23

24

25

26

27

1 **IV. REVENUE ALLOCATION.**

2
3 **Q. How did the Signatories agree to spread the revenue increase across customer**
4 **classes?**

5 A. Attachment "B" to the Settlement Agreement shows the base rate non-fuel increase of
6 \$76.194 million and the base rate fuel increase of \$31.600 million allocated to each major
7 customer class (including residential, small general service, large general service, large
8 light and power, lighting and water pumping). In aggregate, the base rate revenue change
9 averages 13.3% compared to test year base rates. This percentage change in base rates
10 doesn't take into account the \$52.751 million reduction in fuel rates resulting from the
11 reset of the PPFAC scheduled to occur on the effective date of new base rates. When that
12 change is accounted for, the aggregate increase in fuel and non-fuel revenues is just 2.6%.

13
14 **Q. Was the percentage increase allocated to each major customer class equally?**

15 A. No. The results of the Company's Cost of Service Study ("CCOSS") revealed that, under
16 current rates, the small general service class contributes a greater return than other classes.
17 Therefore, it was appropriate to give this class less of a percentage base rate increase (on
18 average) than other customer classes. For this reason, the base rate revenue increase
19 allocated to small general service is approximately 1% less than the aggregate, and is the
20 lowest of any customer class. The Company believed it was important to recognize the
21 existing contribution of the small general service customer class – especially since there
22 was no party that intervened specifically representing the interests of all our small
23 commercial customers.

24
25 The residential customer class was allocated a base revenue increase that equaled the
26 aggregate percentage increase. Although the residential customer class does not contribute
27

1 to the overall return of the Company at the level of the small general service class, the
2 Company was mindful that any increase is not insignificant for many of these customers –
3 especially low-income customers. Therefore, Company believes it was reasonable for the
4 Settlement Agreement to have the percent allocated to residential customers equal to the
5 aggregate.
6

7 **Q. How does the percent allocated to the residential customer class and the small general**
8 **service customer class impact the percent allocated to the other customer classes?**

9 A. As a result of the treatment of those two customer classes, the percent increase allocated to
10 the remaining customer classes (large general service, water pumping, lighting and large
11 light and power) is slightly higher than the aggregate (less than 1%).
12

13 **Q. Do you believe the revenue allocation as set forth in the Settlement Agreement is**
14 **reasonable?**

15 A. Yes. The allocation recognizes the past contribution of the small general service customer
16 class, limits the allocation to residential customer class to no more than the overall
17 aggregate, but keeps the allocation to the remaining customer classes at an equal
18 percentage that is less than one percent over the aggregate. This is a very reasonable
19 result.
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1 **V. RATE DESIGN.**

2
3 **A. Overview.**

4
5 **Q. Please summarize the rate design that the Signatories agreed to in the Settlement**
6 **Agreement.**

7 A. The Signatories were able to negotiate a rate design in the Settlement Agreement that
8 begins the process of simplifying and modernizing the Company's rate offerings. Although
9 the Settlement Agreement does not adopt all of TEP's proposed rate design changes, it
10 does provide substantial movement in updating the rate design. The highlights of the
11 agreed-upon rate design include consolidating and simplifying the Company's rate
12 offerings so that the schedules are more closely aligned with its CCOSS while
13 incorporating many other important rate design factors. The one exception is that the
14 Settlement Agreement retains the numerous frozen low-income rate tariffs for reasons I
15 will explain later in my testimony.

16
17 The Signatories also agreed to simplify the Company's TOU offerings in a way that will
18 make them less confusing and more appealing to customers. The changes include: (i)
19 making the peak times consistent across all classes in recognition that the actual peak
20 times on TEP's system do not vary by class; (ii) eliminating the shoulder period for all
21 non-frozen TOU rate classes and (iii) reducing the length of the peak period to provide for
22 greater opportunity for customer participation.

23
24 The Settlement Agreement also adjusts the rate schedules for large customers with a
25 demand charge – by adjusting the demand charges to better reflect the cost to serve,
26
27

1 modifying the “ratchet” to be consistent across these classes, and adjusting the per-kWh or
2 “energy” charge for these customers, which in some instances included a decrease.

3
4 All of these rate design changes lead to a more balanced and equitable rate impact on all
5 customers while reducing the administrative burden and costs for the Company (and
6 ultimately to the customers.) In short, the agreed-upon rate design is a reasonable
7 compromise of the diverse interests in this case.

8
9 **Q. Where are the rate design changes set forth in the Settlement Agreement?**

10 A. Attachment “J” to the Settlement Agreement provides a detailed account of the rate design
11 changes. The first few pages of that attachment summarize the settled rate design
12 principles and provide a comparison to the current design. As this portion of Attachment
13 “J” shows, the Signatories agreed to simplify, consolidate and modernize the rate design.
14 The remaining portions of Attachment “J” details the billing determinants, shows the
15 proposed revenues to be obtained by each rate schedule going forward, and details the
16 proposed bundled rates including: (1) the monthly customer charges; (2) the energy
17 charges; (3) base power charges; (4) demand charges (where applicable) (Proof of Revenue
18 & Bundled Tariffs). Attachment “J” also included the new tariff language for the
19 surviving rate schedules.

20
21 We have subsequently prepared the unbundled rate components and the rate tariffs (Proof
22 of Revenue & Unbundled Tariffs) containing such are set forth in Exhibit DJD-1. These
23 tariffs replace the Proof of Revenue & Bundled Tariffs previously attached to the
24 Settlement Agreement in Attachment “J”.

1 **B. Residential Rates.**

2

3 **Q. What are some of the key components of the standard residential rate design – the**

4 **Residential R-01 schedule?**

5 **A.** The Residential R-01 schedule is designed to provide the Company an opportunity to

6 obtain the allocated revenue requirement for this customer class, while providing the

7 customer with ample opportunity to control the size of the electric bill. The components of

8 that design that help achieve those goals include the following:

- 9 • An increase in the monthly customer charge to \$10.00 from \$7.00 (single-phase)
- 10 and \$15.00 from \$13.00 (three-phase). The Company's original request was for
- 11 increases to \$12.00 and \$18.00 respectively.
- 12 • A four-tier inverted block energy (per-kWh) rate structure (not including base fuel
- 13 and purchased power charges): (1) under 500 kWh; (2) between 501 and 1,000
- 14 kWh; (3) between 1,001 and 3,500 kWh; and (4) over 3,500 kWh.
- 15 • A five-month summer period and seven-month winter period, which more closely
- 16 aligns with the seasonal differences in costs.
- 17 • A base fuel and purchased power charge included in base rates.

18

19 Residential customers will also be able to choose to contribute to the LFCR through a fixed

20 charge option by paying a modestly higher monthly customer charge rather than having

21 their bills adjusted by a percentage rate. I address this in more detail below. This option is

22 included in all of the Residential rate schedule language that is part of Exhibit DJD-1.

23

24 Finally, given the concerns expressed by some customers about the use of automated

25 meters, non-TOU residential customers can now opt to have an analog meter. Those

26 customers must pay an additional \$10.00 monthly fee, but that fee can be reduced to \$5.00

1 for each month the customer self-reads his or her meter accurately and timely. These
2 customers will use the same procedures for self-reading that are currently set forth in the
3 Company's Rules and Regulations.
4

5 **Q. What about those residential customers who choose to be on a TOU rate schedule?**

6 A. The monthly customer charge for the TOU residential rate schedules is also increasing
7 modestly and less than what the Company originally proposed. TEP had proposed an
8 increase to \$15.00, but the agreed-upon rates in the Settlement Agreement only increases
9 the monthly customer charge to \$11.50 from the current customer charge of \$8.00 in effect
10 for most residential TOU customers.
11

12 **Q. Could you please provide an overview of the bill impacts of the residential rates
13 proposed by the Settlement Agreement?**

14 A. Yes. As the Settlement Agreement notes, the average monthly bill impact for the average
15 residential customer will be less than \$3.00. The percentage bill impact will vary
16 depending on the amount of energy the customer uses, but as Exhibit DJD-2 sets forth, the
17 bill impact will be less than 10% for those customers with very low usage and significantly
18 lower (in the range of 3-4%) for customers with energy usage closer to what a typical
19 customer consumes.
20

21 **C. Low-Income Rates.**
22

23 **Q. How is the agreed-upon rate design sensitive to the needs and difficulties of low-
24 income customers?**

25 A. We understand that low-income customers are especially vulnerable to rate increases, and
26 we have continually sought ways to mitigate the impacts they incur while trying to update
27

1 and modernize rates in accordance with other relevant and important factors. We believe
2 we have struck an acceptable balance to these sometimes-competing factors in many
3 significant ways:

- 4 • All new low-income customers will have available to them one of the four standard
5 Residential Service schedules. The total fixed rate discount will increase from
6 \$8.00 per month to \$9.00 per month for these open Lifeline rates.
- 7 • In the hope that at least some of the complex Lifeline rates that have been created
8 over the years will start to fade away, we have eliminated the portability of all
9 frozen Lifeline rates.
- 10 • In order to mitigate the impact on the Lifeline customers, we will maintain all
11 former Lifeline rate schedules with existing customers on them (a total of 17
12 different low-income rate schedules with some having less than 5 customers on
13 them). We will also maintain the shoulder peak periods for the Lifeline TOU rate
14 schedules to minimize the changes to these customers.
- 15 • Low-income customers will now be subject to the PPFAC rate and the Demand
16 Side Management surcharge ("DSMS").

17
18 As a result, most low-income customers will see a monthly bill impact in the two-to-three-
19 dollar range. Attachment "I" to the Settlement Agreement details the bill impacts for low-
20 income customers, including the anticipated changes to the PPFAC if those take place
21 when the new base rates go into effect.

1 **D. Time-of-Use Rates.**

2
3 **Q. What are some of the changes to the TOU rate structures in general?**

4 **A.** The biggest change is that the different on-peak periods in the current tariffs are being
5 consolidated into a uniform on-peak period for all TOU tariffs. We also removed all
6 shoulder periods for those TOU rate schedules not frozen. Having the same on-and-off
7 peak periods for all TOU rate schedules will significantly ease the administrative burden to
8 the Company and provide less confusion for customers.

9
10 For the summer, the on-peak period will now be from 2:00 p.m. to 8:00 p.m. This
11 represents a significant change from the Company's original filed position to have an on-
12 peak period from 10:00 a.m. to 9:00 p.m. While the Company still believes that the longer
13 summer on-peak period can be justified from a cost perspective, we understood the
14 concerns from the parties to have a more condensed on-peak period and give customers
15 more opportunity to shift usage off-peak. For winter, the on-peak periods will be from
16 6:00 a.m. to 10:00 a.m. and from 5:00 p.m. to 9:00 p.m.

17
18 TEP is also consolidating multiple TOU rate schedules for a given customer class into a
19 single TOU rate for the class. This consolidation results in having two TOU rates
20 schedules for residential customers (R-80 TOU and R-201B TOU) and one each for small
21 general service (GS-76 TOU), large general service (I-85 TOU) and large light and power
22 service (LL&P I-90 TOU). Again, this consolidation results in less customer confusion
23 and decreased administrative burden on TEP.

1 **E. Other Rate Design Issues.**

2
3 **Q. There were some difference of opinion over the demand ratchet that the Company**
4 **discussed in some detail in its direct filing. How was the demand ratchet issue**
5 **resolved?**

6 **A.** For those customers with a demand component in their bill, the Signatories agreed to a
7 demand ratchet of 75% (increasing it from 50% or 66.7% in some tariffs and establishing it
8 for those classes who did not have a ratchet in place). A ratchet is a billing provision under
9 which the demand charge for each month is based on the highest measured or billed
10 demand over a period of time in the previous year. TEP had originally requested an
11 increase to 100%, but agreed to settle on 75%. Even so, this will better ensure a stable
12 level of demand revenue and more closely align the cost recovery with the cost causer.
13 This is coupled with increases in the demand charges and mitigating the magnitude of the
14 increase in the energy charges for these customers. As a result of the changes to the
15 ratchets and to the demand charges, the large light and power service customers are not
16 subject to the LFCR because TEP is less likely to incur lost fixed costs recovery specific to
17 this class of customers.

18
19 **Q. Has the Company agreed to submit additional new or revised tariffs beyond those**
20 **attached as part of Exhibit DJD-1?**

21 **A.** Yes, there are three additional new or revised tariffs. First, TEP will submit an
22 interruptible tariff pursuant to Paragraph 20.5 of the Settlement. Second, while not
23 memorialized in the Settlement Agreement, the Company has committed to working with
24 Staff to develop a residential "super-peak" rate tariff similar to the SRP EZ-3 rate and
25 develop revised partial requirement service ("PRS") tariffs.

1 **Q. Finally regarding rate design, does the Settlement Agreement contain a provision that**
2 **allows for an examination of any unintended affects of the rate design as set forth in**
3 **Attachment “J”?**

4 A. Yes. I note that this rate design was carefully crafted to incorporate all of the divergent
5 interests and we do not anticipate that there will be any unexpected impacts to any
6 customer class or group. Having said that, we understand that having a mechanism in
7 place to address that occurrence is important in this instance where there is a lot of rate
8 consolidation and significant change occurring. Therefore, the Company has agreed to
9 leave the docket open until July 1, 2014 for the express purpose of possibly adjusting
10 specific tariffs to correct for unanticipated customer impacts, which are not consistent with
11 the public interest. Any such changes, however, must be revenue neutral so that the
12 Company’s non-fuel revenue requirement is not adversely impacted.

13
14 **VI. LOST FIXED-COST RECOVERY MECHANISM.**
15

16 **Q. Please describe the mechanics of the agreed-upon LFCR in the Settlement**
17 **Agreement.**

18 A. The LFCR is a narrowly-tailored mechanism designed to capture lost fixed costs resulting
19 from sales reductions due to EE/DSM and DG. Mr. Hutchens discusses the benefits of the
20 LFCR mechanism in his Direct Testimony supporting the Settlement Agreement.

21
22 The LFCR proposed in the settlement agreement is very similar to the LFCR recently
23 approved for Arizona Public Service Company (“APS”). The LFCR charge is calculated
24 as detailed in the LFCR Plan of Administration (“POA”) (Attachment “F” to the
25 Settlement Agreement). Essentially, the transmission and distribution revenue is
26
27

1 multiplied by sales reductions due to EE/DSM and DG.¹ This calculation will exclude
2 sales from exempt customer classes and from residential customers who have chosen the
3 fixed charge option. The resulting surcharge will be applied on an equal-percentage basis
4 across the applicable customer classes. There is also a one-percent-year-over-year cap on
5 the LFCR rate that is the same as for APS and which is based on the applicable company
6 revenues as defined in the LFCR POA. One of the similarities between APS's LFCR and
7 TEP's LFCR is the fixed charge option or "opt-out" rate.

8
9 **Q. What is the fixed charge option for residential customers who choose to not**
10 **participate based on the standard LFCR?**

11 A. As Attachment "E" to the Settlement Agreement shows, the fixed charge option rate is
12 \$2.50 with usage less than 2,000 kWh – and \$6.50 with usage of 2,000 kWh or more. This
13 is an incremental addition to the monthly customer charge – as the "Lost Fixed Cost
14 Recovery (LFCR) Fixed Charge Option" as described in the Residential Electric Service
15 (R-01) rate schedule in Attachment "J" to the Settlement Agreement. This fixed charge
16 option ("opt-out" rate) is a modest increase to the monthly customer charge that gives
17 residential customers the flexibility to determine how they want to pay for fixed costs not
18 recovered through base rates. The agreed-upon fixed charge option design is simple to
19 administer and is designed to only recover average incremental unrecovered fixed costs.
20 This charge will be effective with the first LFCR adjustment, which is anticipated to be
21 July 1, 2014.

22
23
24
25
26 ¹ The LFCR POA did not include the referenced schedules. Those schedules were developed after the
27 unbundled rates were determined and are now attached with the proposed LFCR POA as Exhibit DJD-3
which replaces Attachment "F" of the Settlement Agreement.

1 **Q. Does the LFCR tariff provide the ability to switch between the LFCR surcharge and**
2 **the fixed charge options?**

3 A. Yes. As set forth in the tariff, a customer may switch once at any time during the first year
4 of the LFCR tariff. After the first year, a customer must remain on an option for at least
5 twelve months before switching.

6
7 **Q. Does the fixed charge option discourage those residential customers from conserving?**

8 A. I do not believe so. Even though these customers pay a higher monthly customer charge,
9 they are still subject to volumetric fuel and non-fuel base rates. This still gives the
10 customers choosing the fixed charge option ample incentive to conserve. If they use less
11 power, they will still pay a lower bill. Only the average incremental unrecovered fixed
12 costs will be recovered through the fixed charge options.

13
14 **Q. Is the process to approve the LFCR charge for TEP essentially the same as for APS?**

15 A. Yes, but with different filing dates. In accordance with the LFCR POA, the Company will
16 file its annual LFCR adjustment, including all compliance reports, by May 15th of each
17 year. Making best efforts to analyze the Company's proposal in conjunction with its REST
18 and EE/DSM filings, Staff will process the matter so that the new LFCR adjustment can be
19 in effect by July 1st of each year. The Commission must approve the new LFCR
20 adjustment before it goes into effect.

21
22 **Q. Why does the LFCR exclude certain customer classes?**

23 A. Similar to the APS LFCR, the TEP LFCR does not include large light and power service
24 customer classes because of the rate design specific to those classes. Specifically, the
25 increased ratchet and the demand charge structures for these customer classes. The price
26 structure for these classes allows for essentially full recovery of the fixed cost assigned to
27

1 this class through demand charges; but this is coupled with excluding any actual lost
2 recoveries associated with reductions from EE/DSM and DG associated with these classes
3 from the LFCR calculations.
4

5 **Q. Will the LFCR in the Settlement Agreement effectively recover lost fixed costs**
6 **attributable to sales reductions due to EE/DSM and DG?**

7 A. I believe it will. We agree with previous opinions expressed about the LFCR being a
8 reasonable and appropriate mechanism to eliminate the disincentive to conserve and will
9 allow the Company to promote EE/DSM and DG programs. But it does not in any way
10 hamstring the Commission's ability to determine the appropriate policy regarding EE,
11 DSM or DG. The Company can certainly understand and sympathize with those who
12 support a full decoupling mechanism, but the Company thinks that the LFCR can be an
13 effective mechanism for limiting the disincentive to the Company to promote reduced sales
14 and has considerable support as a mechanism presently in place with other utilities in
15 Arizona. As such the agreed-upon LFCR will implement lost fixed cost recovery in a way
16 that all Signatories are comfortable with.
17

18 **Q. Are there any changes to the LFCR POA filed as an attachment to the Settlement**
19 **Agreement on February 4, 2013?**

20 A. Yes, in the LFCR POA, the Traffic Signals and Street Lighting Service (PS-41) rate was
21 inadvertently omitted; it is now included in the revised version of the LFCR POA
22 (including schedules) attached to my testimony as Exhibit DJD-3
23
24
25
26
27

1 **VII. RULES AND REGULATIONS AND STATEMENT OF CHARGES.**

2
3 **Q. What are the changes to the Company's Rules and Regulations?**

4 A. The changes to the Rules and Regulations are largely as the Company proposed in its July
5 2, 2012 filing. Most of the changes were "clean-up" in nature as they eliminated
6 inconsistencies and ambiguities that occurred over time. The more substantive changes
7 were discussed in the Direct Testimony of Lindy Sheehey filed with the rate case
8 Application. Additional changes were incorporated as a result of the settlement
9 negotiations. Pursuant to Section 16.1 of the Settlement Agreement, the Company
10 discussed its proposed revisions to the Rules and Regulations with Staff during January
11 and February 2013. Exhibit DJD-4 is a redline version of the changes to the Rules and
12 Regulations that TEP and Staff have agreed should be adopted by the Commission.
13

14 **Q. Have the Company and Staff agreed on the "Statement of Additional Charges"?**

15 A. Similar to the Rules and Regulations, the changes to the Statement of Charges are largely
16 as the Company proposed in its July 2, 2012 filing. The Company discussed its proposed
17 revisions with Staff during January and February 2013. Exhibit DJD-5 reflects the
18 agreement between Staff and the Company on the form and substance of the changes to the
19 Statement of Charges. Exhibit DJD-5 hereby replaces Attachment "K" to the Settlement
20 Agreement filed on February 4, 2013 and should be approved by the Commission.
21

22 **Q. Does that conclude your direct testimony supporting the Settlement Agreement?**

23 A. Yes.
24
25
26
27

EXHIBIT

DJD-1

PROOF
OF
REVENUE

TUCSON ELECTRIC POWER COMPANY
SUMMARY PROPOSED REVENUES
TEST PERIOD ENDING DECEMBER 31, 2011

SUMMARY
PAGE 1 OF 19

Line No.

Line No.	Proposed Increased	Rate Class	Adjusted Customers	Adjusted Sales (kWh)	Margin Revenue	Base Power&PPFAC	Test Year Adjusted Revenue	Proposed Revenues		
								Margin Revenue	Base Power	Total Revenue
1	Proposed Increased									
2										
3										
4	Residential Service		360,521	3,699,107,059	\$241,095,410	\$111,635,462	\$352,730,872	\$276,525,140	\$123,201,293	\$399,726,432
5	Residential Time Of Use		8,873	129,923,963	7,043,984	3,797,665	10,841,649	7,897,878	4,200,221	12,098,099
6	Small General Service		35,978	1,947,489,380	156,798,459	55,398,880	212,197,338	171,523,430	64,822,405	237,345,835
7	Small General Service Time of Use		924	123,590,519	8,103,358	3,384,976	11,488,333	10,026,004	3,922,266	13,948,270
8	Irrigation & Water Pumping		484	107,584,687	4,446,839	2,908,651	7,355,490	5,001,226	3,390,580	8,391,806
9	Large General Service		536	1,046,539,305	55,085,198	30,598,384	85,683,582	63,396,775	34,774,183	98,170,957
10	Large General Service Time of Use		87	216,614,667	8,424,561	6,579,663	15,004,224	9,974,701	6,773,309	16,748,010
11	Large Light & Power Service		4	351,454,280	12,469,651	10,271,504	22,741,155	15,465,873	10,507,517	25,973,390
12	Large Light & Power Service Time of Use		9	542,786,937	17,883,872	13,900,001	31,783,872	19,487,175	15,800,087	35,287,262
13	Mining Service		2	1,083,071,404	30,374,675	29,264,219	59,638,894	37,382,924	31,630,841	69,013,765
14	Traffic Signals & Lighting Service		19,566	37,430,789	3,022,183	913,817	3,936,000	3,261,519	1,230,412	4,491,931
15	TOTAL		426,985	9,285,592,991	\$544,748,189	\$268,653,221	\$813,401,411	\$620,942,644	\$300,253,113	\$921,195,757
16										
17	Rate Schedule									
18	R-01 - Lifeline		19,858	190,498,193	\$11,801,193	\$5,712,319	\$17,513,513	\$12,887,266	\$5,598,340	\$18,485,606
20	R-01		327,921	3,364,805,199	223,461,936	102,007,849	325,469,785	256,693,383	112,600,057	369,293,439
21	R-02		1,985	3,777,106	185,953	109,756	295,709	215,028	122,270	337,297
22	R-201AF		4,943	69,035,331	3,588,889	2,061,241	5,650,130	4,608,883	2,295,181	6,904,064
19	R-201AF - Lifeline		352	4,797,453	235,965	143,480	379,445	256,971	144,258	401,229
23	R-201AN		5,462	62,392,149	3,306,229	1,927,235	5,233,464	4,287,838	2,078,430	6,366,268
24	TOTAL RESIDENTIAL SERVICE		360,521	3,695,255,432	\$242,580,166	\$111,961,880	\$354,542,046	\$278,949,369	\$122,838,536	\$401,787,904
25										
26	R-21F - Lifeline		51	601,680	\$27,889	\$17,837	\$45,726	\$31,576	\$17,578	\$49,154
27	R-70F - Lifeline		198	2,036,942	114,504	59,014	173,519	124,671	58,266	182,937
28	R-201BF - Lifeline		13	151,418	6,684	4,342	11,025	7,338	4,284	11,621
29	R-21F		2,411	40,511,249	1,929,952	1,222,077	3,152,029	2,464,973	1,311,430	3,776,403
30	R-70F		4,110	59,486,521	3,441,136	1,722,450	5,163,586	3,708,397	1,931,874	5,640,271
31	R-70N-B		202	2,721,591	179,745	80,748	260,493	171,705	88,446	260,151
32	R-70N-C		651	7,853,166	519,667	232,140	751,807	504,697	255,111	759,808
33	R-70N-D		452	5,786,727	382,164	171,439	553,603	368,190	188,058	556,248
34	R-201BF		494	7,561,541	333,854	214,871	548,725	403,137	242,450	645,587
35	R-201CF		205	2,211,821	103,121	66,786	169,907	125,889	70,604	196,493
36	R-201BN		58	847,816	39,443	25,350	64,793	45,614	27,222	72,835
37	R-201CN		27	153,489	7,999	4,773	12,772	10,553	4,899	15,452
38	RESIDENTIAL TOU SERVICE		8,873	129,923,963	\$7,086,159	\$3,821,825	\$10,907,984	\$7,966,739	\$4,200,221	\$12,166,960
39										
40	Total Lifeline Discount Non-TOU				-1,484,756	-689,175	-2,173,931	-2,424,229		-2,424,229
41	Total Lifeline Discount TOU				-42,175	-24,160	-66,335	-68,861		-68,861
42	R-01 Community Solar			3,851,627	0	362,757	362,757	362,757	362,757	362,757
43	TOTAL RESIDENTIAL SERVICE		369,394	3,829,031,022	\$248,139,394	\$115,433,127	\$363,572,522	\$284,423,018	\$127,401,513	\$411,824,531

1	Proposed Increased	Rate Class	Adjusted Customers	Adjusted Sales (kWh)	Margin Revenue	Base Power&PPFAC	Test Year Adjusted Revenue	Margin Revenue	Base Power	Total Revenue
44										
45	C-10		34,902	1,770,219,715	\$146,658,776	\$50,263,037	\$196,921,813	\$159,673,752	\$58,913,527	\$218,587,279
46	C-11		339	58,614,700	3,567,768	1,684,000	5,251,768	4,229,714	1,944,430	6,174,144
48	P-40		737	118,304,720	6,571,915	3,412,958	9,984,873	10,240,806	3,925,564	14,166,371
49	SMALL GENERAL SERVICE		35,978	1,947,139,135	\$156,798,459	\$55,359,996	212,158,454	\$174,144,272	\$64,783,521	\$238,927,793
50										
51	C76F		828	109,764,966	\$6,970,469	\$2,995,352	\$9,965,821	\$8,900,021	\$3,481,756	\$12,381,777
52	C-76-N		96	13,825,553	1,132,888	389,624	1,522,512	1,125,983	440,510	1,566,493
53	TOTAL SGS TIME OF USE		924	123,590,519	\$8,103,358	\$3,384,976	\$11,488,333	\$10,026,004	\$3,922,266	\$13,948,270
54										
55	C-31		30	14,173,519	\$360,113	\$407,205	\$767,318	\$532,645	\$430,614	\$963,259
56	P-43		339	50,179,432	2,931,269	1,341,303	\$4,272,572	2,958,010	1,669,303	4,627,312
57	P-45		115	43,231,736	1,155,457	1,160,143	2,315,600	1,510,571	1,290,664	2,801,235
58	WATER PUMPING SERVICE		484	107,584,687	\$4,446,839	\$2,908,651	\$7,355,490	\$5,001,226	\$3,390,580	\$8,391,806
59										
60	I-13		535	1,045,063,814	\$54,952,648	\$30,548,289	\$85,500,936	\$63,264,224	\$34,724,088	\$97,988,311
61	Contract PRS		1	1,475,491	132,551	50,095	182,646	132,551	50,095	182,646
62	LARGE GENERAL SERVICE		536	1,046,539,305	\$55,085,198	\$30,598,384	\$85,683,582	\$63,396,775	\$34,774,183	\$98,170,957
63										
64	I-85AF		17	31,671,453	\$1,644,562	\$864,899	\$2,509,460	\$1,153,849	\$1,043,983	\$2,197,832
65	I-85F		7	14,642,750	802,338	403,378	1,205,716	609,482	449,816	1,059,298
66	I-85N		63	170,300,463	5,977,661	5,311,387	11,289,048	8,211,370	5,279,510	13,490,880
67	LARGE GENERAL SERVICE TOU		87	216,614,667	\$8,424,561	\$6,579,663	\$15,004,224	\$9,974,701	\$6,773,309	\$16,748,010
68										
69	P-40 Discount			350,244		38,884	38,884	-1,620,842	38,884	-1,620,842
70	C-10 - Community Solar									
71	TOTAL GENERAL SERVICE		38,010	3,441,818,558	\$232,858,415	\$98,870,553	\$331,728,968	\$260,922,135	\$113,682,744	\$374,604,879
72	LL&POWER SERVICE I-14		4	351,454,280	\$12,469,651	\$10,271,504	\$22,741,155	\$15,465,873	\$10,507,517	\$25,973,390
73										
74	I-90F - Contract		1	29,899,899	\$973,212	\$706,823	\$1,680,035	\$873,457	\$806,578	\$1,680,035
75	I-90F		3	170,484,054	5,971,902	3,996,602	\$9,968,504	5,714,483	4,980,736	10,695,219
76	I-90AF		1	29,796,851	1,236,204	698,332	\$1,934,536	1,012,873	873,371	1,886,244
77	I-90N		4	312,606,133	9,702,553	8,498,244	\$18,200,797	11,886,363	9,139,401	21,025,764
78	TOTAL LL&POWER TOU SERVICE		9	542,786,937	\$17,883,872	\$13,900,001	\$31,783,872	\$19,487,175	\$15,800,087	\$35,287,262
79										
80	MINING SERVICE		2	1,083,071,404	30,374,675	\$29,264,219	\$59,638,894	37,382,924	\$31,630,841	69,013,765
81	TOTAL LL&P & MINING SERVICE		15	1,977,312,622	\$60,728,198	\$53,435,723	\$114,163,922	\$72,335,972	\$57,938,445	\$130,274,417
82										
83	P-41		1,251	29,734,586	\$1,355,302	\$767,658	\$2,122,960	\$1,415,366	\$977,598	\$2,392,965
84	Lighting		18,316	7,696,203	1,666,880	146,159	\$1,813,039	1,846,152	252,814	2,098,966
85	LIGHTING SERVICE		19,566	37,430,789	\$3,022,183	\$913,817	\$3,936,000	\$3,261,519	\$1,230,412	\$4,491,931
86										
87	TOTAL RETAIL SERVICE		426,985	9,285,592,991	\$544,748,189	\$268,653,221	\$813,401,411	\$620,942,644	\$300,253,113	\$921,195,757

LINE NO.		Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
Residential Service R-01							
1	Customer Charge (Single Phase)	3,931,401	\$7.00	\$27,519,807.00	3,931,401	\$10.00	\$39,314,010.00
2	Customer Charge (Three Phase)	3,651	\$13.00	47,463.00	3,651	\$15.00	54,765.00
3	Sum First 500 kWh	865,521,763	\$0.046925	40,614,608.75	736,730,680	\$0.056200	41,404,264.20
4	Sum 501-1,000 kWh				496,017,382	\$0.067200	33,332,368.09
5	Sum 1,001-3,500 kWh	1,180,855,048	\$0.068960	81,431,764.12	559,338,750	\$0.079800	44,635,232.26
6	Sum>3,500 kWh	25,501,217	\$0.088960	2,268,588.23	24,347,732	\$0.088200	2,147,469.92
7	Win First 500 kWh				905,934,678	\$0.056200	50,913,528.89
8	Win 501-1,000 kWh	777,143,594	\$0.047309	36,765,886.29	413,683,007	\$0.065200	26,972,132.06
9	Win 1,001-3,500 kWh	510,936,480	\$0.067309	34,390,623.50	222,752,388	\$0.078100	17,396,961.53
10	Win>3,500 kWh	4,847,097	\$0.087309	423,195.23	6,000,583	\$0.087100	522,650.74
11	Subtotal Delivery (Margin) Revenue			\$223,461,936.13			\$256,693,382.69
12	Base Power Summer	2,071,878,028	\$0.033198	68,782,206.78	1,816,434,544	\$0.035111	63,776,833.26
13	Base Power Winter	1,292,927,171	\$0.025698	33,225,642.44	1,548,370,656	\$0.031532	48,823,223.51
14	TOTAL RESIDENTIAL R-01			\$325,469,785.35			\$369,293,439.46
15	TOTAL SALES	3,364,805,199			3,364,805,199		
Residential Service R-02 Consolidated with Residential Service R-01							
16	Customer Charge (Single Phase)	23,820	\$5.10	\$121,482.00	23,820	\$0.00	\$0.00
17	Sum First 500 kWh				1,196,221	\$0.056200	67,227.62
18	Sum 501-1,000 kWh	3,727,106	\$0.017298	64,471.48	66,774	\$0.067200	4,487.18
19	Sum 1,001-3,500 kWh			-	59,214	\$0.079800	4,725.30
20	Sum>3,500 kWh			-	3,979	\$0.088200	350.91
21	Win First 500 kWh				2,165,629	\$0.056200	121,708.34
22	Win 501-1,000 kWh			-	148,257	\$0.065200	9,666.34
23	Win 1,001-3,500 kWh			-	79,831	\$0.078100	6,234.77
24	Win>3,500 kWh			-	7,203	\$0.087100	627.36
25	Subtotal Delivery (Margin) Revenue			\$185,953.48			\$215,027.81
26	Base Power Summer	3,727,106	\$0.029448	109,755.82	1,326,187	\$0.035111	46,563.76
27	Base Power Winter			-	2,400,919	\$0.031532	75,705.78
28	TOTAL RESIDENTIAL R-02			\$295,709.31			\$337,297.35
29	TOTAL SALES	3,727,106			3,727,106		
Residential Lifeline Service R-01 - Is Now Frozen							
30	Customer Charge (Single Phase)	238,230	\$4.90	\$1,167,326.66	238,230	\$6.90	\$1,643,786.52
31	Customer Charge (Three Phase)	69	\$12.26	845.94	69	\$11.90	821.10
32	Summer (all kWh)	108,919,567	\$0.057723	6,287,164.14	93,722,286	\$0.061100	5,726,431.67
33	Winter (all kWh)	81,578,627	\$0.053272	4,345,856.60	96,775,907	\$0.057000	5,516,226.72
34	Subtotal Delivery (Margin) Revenue			\$11,801,193.35			\$12,887,266.01
35	Base Power Summer	108,919,567	\$0.033198	3,615,911.77	93,722,286	\$0.033198	3,111,392.45
36	Base Power Winter	81,578,627	\$0.025698	2,096,407.55	96,775,907	\$0.025698	2,486,947.27
37	TOTAL RESIDENTIAL LIFELINE R-XX-01			\$17,513,512.67			\$18,485,605.73
38	TOTAL SALES	190,498,193			190,498,193		

TUCSON ELECTRIC POWER COMPANY
TEST YEAR RATES VS. PROPOSED RATES AND REVENUES
TEST PERIOD ENDING DECEMBER 31, 2011

RESIDENTIAL CLASS
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LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Residential Lifeline Service R-201A - Is Now Frozen							
1	Customer Charge (Single Phase)	4,218	\$4.90	\$20,668.46	4,218	\$6.90	\$29,104.57
2	Mid-Summer (all kWh)	1,397,135	\$0.057722	80,645.44	1,397,135	\$0.061100	85,364.96
3	Remaining-Summer (all kWh)	1,295,488	\$0.040993	53,105.95	899,080	\$0.043600	39,199.91
4	Winter (all kWh)	2,104,829	\$0.038742	81,545.28	2,501,237	\$0.041300	103,301.08
5	Subtotal Delivery (Margin) Revenue		\$235,965.14				\$256,970.52
6	Base Power Mid Summer	1,397,135	\$0.033198	46,382.09	1,397,135	\$0.033198	46,382.09
7	Base Power Remain-Summer	1,295,488	\$0.033198	43,007.62	899,080	\$0.033198	29,847.67
8	Base Power Winter	2,104,829	\$0.025698	54,089.89	2,501,237	\$0.027198	68,028.64
9	TOTAL LIFELINE R-201		\$379,444.75				\$401,228.92
10	TOTAL SALES	4,797,453			4,797,453		
Residential Service R-201AF Consolidated with Residential Service R-201A							
11	Customer Charge (Single Phase)	59,313	\$7.00	\$415,193.57	59,313	\$10.00	\$593,133.67
12	Sum First 500 kWh	20,197,805	\$0.066139	1,335,862.65	13,531,796	\$0.050600	684,708.87
13	Sum 501-1,000 kWh			-	9,105,476	\$0.060500	550,881.29
14	Sum 1,001-3,500 kWh	18,091,714	\$0.044138	798,532.07	10,267,877	\$0.071800	737,233.57
15	Sum>3,500 kWh			-	165,189	\$0.079400	13,115.97
16	Win First 500 kWh	30,745,812	\$0.033803	1,039,300.67	18,812,952	\$0.050600	951,935.36
17	Win 501-1,000 kWh			-	11,090,120	\$0.058700	650,990.04
18	Win 1,001-3,500 kWh			-	5,971,603	\$0.070300	419,803.70
19	Win>3,500 kWh			-	90,319	\$0.078400	7,081.01
20	Subtotal Delivery (Margin) Revenue		\$3,588,888.97				\$4,608,883.48
21	Base Power Mid-Summer	20,197,805	\$0.033198	670,526.74	33,070,337	\$0.035111	1,161,132.61
22	Base Power Remain-Summer	18,091,714	\$0.033198	600,608.72			
23	Base Power Winter	30,745,812	\$0.025698	790,105.87	35,964,994	\$0.031532	1,134,048.19
24	TOTAL R-201A		\$5,650,130.30				\$6,904,064.28
25	TOTAL SALES	69,035,331			69,035,331		
Residential Service R-201AN Consolidated with Residential Service R-201A							
26	Customer Charge (Single Phase)	65,544	\$7.00	\$458,808.00	65,544	\$10.00	\$655,440.00
27	Sum First 500 kWh				12,747,252	\$0.050600	645,010.96
28	Sum 501-1,000 kWh	7,410,492	\$0.065598	486,113.44	8,523,994	\$0.060500	515,701.66
29	Sum 1,001-3,500 kWh	11,446,450	\$0.085598	979,793.20	9,612,164	\$0.071800	690,153.37
30	Sum>3,500 kWh	107,509	\$0.105598	11,352.70	153,507	\$0.079400	12,188.42
Remaining Summer							
31	First 500, or all kWh	7,646,758	\$0.022737	173,864.33	-		-
32	501 -3,500, kWh	9,203,000	\$0.042737	393,308.63	-		-
33	>3,500 kWh	53,626	\$0.062737	3,364.35	-		-
34	Win First 500 kWh	14,115,148	\$0.020737	292,705.82	16,425,145	\$0.050600	831,112.35
35	Win 501-1,000 kWh	12,338,852	\$0.040737	502,647.80	9,653,893	\$0.058700	566,683.53
36	Win 1,001-3,500 kWh				5,198,250	\$0.070300	365,436.99
37	Win>3,500 kWh	70,315	\$0.060737	4,270.75	77,944	\$0.078400	6,110.79
38	Subtotal Delivery (Margin) Revenue		\$3,306,229.01				\$4,287,838.07
39	Base Power Mid-Summer	18,964,450	\$0.043166	818,619.45	31,036,917	\$0.035111	1,089,737.20
40	Base Power Remain-Summer	16,903,384	\$0.023166	391,583.80			
41	Base Power Winter	26,524,315	\$0.027033	717,031.81	31,355,232	\$0.031532	988,693.19
42	TOTAL R-201AN		\$5,233,464.08				\$6,366,268.46
43	TOTAL SALES	62,392,149			62,392,149		

LINE NO.	Test Year Adjusted Billing		Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants		Proposed Revenues	
	Determinants	Current Rates		Proposed Rates			
Residential Lifeline Service TOU R-21 - Is Now Frozen							
1	Customer Charge	613	\$6.86	\$4,208.12	613	\$8.86	\$5,434.98
2	Summer On-peak kWh	109,148	\$0.072215	7,882.12	94,070	\$0.078800	7,412.68
3	Summer Off-peak kWh	223,428	\$0.026967	6,025.17	195,143	\$0.030100	5,873.81
4	Winter On-peak kWh	63,890	\$0.058320	3,726.08	78,969	\$0.065200	5,148.76
5	Winter Off-peak kWh	205,215	\$0.029467	6,047.06	233,499	\$0.033000	7,705.46
6	Subtotal Delivery (Margin) Revenue			\$27,888.55			\$31,575.70
Base Power							
7	Summer On-peak kWh	109,148	\$0.053198	5,806.45	94,070	\$0.053198	5,004.31
8	Summer Off-peak kWh	223,428	\$0.023198	5,183.07	195,143	\$0.023198	4,526.93
9	Winter On-peak kWh	63,890	\$0.040698	2,600.21	78,969	\$0.040698	3,213.87
10	Winter Off-peak kWh	205,215	\$0.020698	4,247.53	233,499	\$0.020698	4,832.96
11	TOTAL LIFELINE TOU R-21F REVENUE			\$45,725.82			\$49,153.77
12	TOTAL SALES		601,680			601,680	
Residential Lifeline Service TOU R-70 - Is Now Frozen							
13	Customer Charge	2,375	\$6.78	\$16,103.20	2,375	\$8.78	\$20,853.40
14	Summer On-peak	245,865	\$0.128473	31,587.01	214,446	\$0.139300	29,872.30
15	Summer Shoulder-peak	87,900	\$0.068120	5,987.76	87,900	\$0.074000	6,504.61
16	Summer Off-peak	847,975	\$0.034962	29,646.90	737,025	\$0.037900	27,933.24
17	Winter On-peak kWh	185,561	\$0.085313	15,830.80	216,981	\$0.092500	20,070.70
18	Winter Off-peak kWh	669,640	\$0.022921	15,348.83	780,591	\$0.024900	19,436.70
19	Subtotal Delivery (Margin) Revenue			\$114,504.49			\$124,670.96
Base Power							
20	Summer On-peak kWh	245,865	\$0.055698	13,694.19	214,446	\$0.055698	\$11,944.20
21	Summer Shoulder-peak	87,900	\$0.048198	4,236.61	87,900	\$0.048198	4,236.61
22	Summer Off-peak kWh	847,975	\$0.023198	19,671.32	737,025	\$0.023198	17,097.50
23	Winter On-peak kWh	185,561	\$0.040698	7,551.98	216,981	\$0.040698	8,830.67
24	Winter Off-peak kWh	669,640	\$0.020698	13,860.22	780,591	\$0.020698	16,156.66
25	TOTAL LIFELINE TOU R-70F REVENUE			\$173,518.81			\$182,936.62
26	TOTAL SALES		2,036,942			2,036,942	
Residential Service TOU R-21 Frozen Consolidated with Residential TOU R-80							
27	Customer Charge	28,932	\$7.00	\$202,524.00	28,932	\$11.50	\$332,718.00
28	Summer On-peak kWh	8,237,292	\$0.101271	834,198.77	7,468,625	\$0.066800	498,904.12
29	Summer Off-peak kWh	15,589,611	\$0.021508	335,301.34	13,949,953	\$0.051800	722,607.54
30	Winter On-peak kWh	3,844,450	\$0.073292	281,767.45	7,511,294	\$0.056800	426,641.52
31	Winter Off-peak kWh	12,839,897	\$0.021508	276,160.50	11,581,378	\$0.041800	484,101.59
32	Subtotal Delivery (Margin) Revenue			\$1,929,952.06			\$2,464,972.77
Base Power							
33	Summer On-peak kWh	8,237,292	\$0.053198	438,207.45	7,468,625	\$0.050669	378,427.74
34	Summer Off-peak kWh	15,589,611	\$0.023198	361,647.79	13,949,953	\$0.026679	372,170.78
35	Winter On-peak kWh	3,844,450	\$0.040698	156,461.44	7,511,294	\$0.032893	247,069.01
36	Winter Off-peak kWh	12,839,897	\$0.020698	265,760.18	11,581,378	\$0.027092	313,762.68
37	TOTAL TOU R-21F REVENUE			\$3,152,028.91			\$3,776,402.99
38	TOTAL SALES		40,511,249			40,511,249	

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Residential Service TOU R-70 Consolidated with Residential TOU R-80							
1	Customer Charge	49,320	\$7.00	\$345,240.00	49,320	\$11.50	\$567,180.00
2	Summer On-peak	6,662,407	\$0.174747	1,164,235.63	11,348,439	\$0.066800	758,075.71
3	Summer Shoulder-peak	2,577,159	\$0.102823	264,991.23	-	\$0.000000	-
4	Summer Off-peak	27,114,005	\$0.041176	1,116,446.26	21,204,659	\$0.051800	1,098,401.36
5	Winter On-peak kWh	5,967,824	\$0.025762	153,743.09	10,594,826	\$0.056800	601,786.13
6	Winter Off-peak kWh	17,165,126	\$0.023098	396,480.07	16,338,596	\$0.041800	682,953.33
7	Subtotal Delivery (Margin) Revenue		\$3,441,136.29				\$3,708,396.53
Base Power							
8	Summer On-peak kWh	6,662,407	\$0.055698	\$371,082.74	11,348,439	\$0.050669	575,014.05
9	Summer Shoulder-peak	2,577,159	\$0.048198	124,213.92	-	\$0.000000	-
10	Summer Off-peak kWh	27,114,005	\$0.023198	628,990.68	21,204,659	\$0.026679	565,719.11
11	Winter On-peak kWh	5,967,824	\$0.040698	242,878.52	10,594,826	\$0.032893	348,495.62
12	Winter Off-peak kWh	17,165,126	\$0.020698	355,283.77	16,338,596	\$0.027092	442,645.26
13	TOTAL TOU R-70F REVENUE		\$5,163,585.92				\$5,640,270.56
14	TOTAL SALES	59,486,521			59,486,521		
Residential Time-of-Use R-70N-B Consolidated with Residential TOU R-80							
15	Customer Charge	2,424	\$8.00	\$19,392.00	2,424	\$11.50	\$27,876.00
Summer On-peak							
16	First 500, kWh	93,863	\$0.079947	7,504.08	523,087	\$0.066800	34,942.22
17	501 -3,500, kWh	176,848	\$0.096571	17,078.41			-
18	>3,500 kWh	2,267	\$0.116571	264.23			-
Summer Shoulder-peak							
19	First 500, kWh	143,827	\$0.050121	7,208.74			-
20	501 -3,500, kWh	281,334	\$0.070121	19,727.44			-
21	>3,500 kWh	3,679	\$0.090121	331.54			-
Summer Off-peak							
22	First 500, kWh	349,097	\$0.041217	14,388.72	979,031	\$0.051800	50,713.81
23	501 -3,500, kWh	675,543	\$0.057841	39,074.11			-
24	>3,500 kWh	8,856	\$0.077841	689.33			-
Winter On-peak							
25	First 500, kWh	162,731	\$0.067066	10,913.71	479,959	\$0.056800	27,261.67
26	501 -3,500, kWh	139,508	\$0.085478	11,924.83			-
27	>3,500 kWh	507	\$0.105478	53.52			-
Winter Off-peak							
28	First 500, kWh	366,538	\$0.037066	13,586.10	739,514	\$0.041800	30,911.70
29	501 -3,500, kWh	315,870	\$0.055478	17,523.86			-
30	>3,500 kWh	1,123	\$0.075478	84.78			-
31	Subtotal Delivery (Margin) Revenue		\$179,745.40				\$171,705.40
Base Power							
32	Summer On-peak	272,978	\$0.055440	15,133.91	523,087	\$0.050669	26,504.30
33	Summer Shoulder-peak	428,840	\$0.034876	14,956.22	-	\$0.00	-
34	Summer Off-peak	1,033,496	\$0.019865	20,530.40	979,031	\$0.026679	26,119.57
35	Winter On-peak kWh	302,746	\$0.042874	12,979.93	479,959	\$0.032893	15,787.29
36	Winter Off-peak kWh	683,532	\$0.025086	17,147.08	739,514	\$0.027092	20,034.92
37	TOTAL TOU R-70N-B REVENUE		\$260,492.93				\$260,151.48
38	TOTAL SALES	2,721,591			2,721,591		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Residential Time-of-Use R-70N-C Consolidated with Residential TOU R-80							
1	Customer Charge	7,812	\$8.00	\$62,496.00	7,812	\$11.50	\$89,838.00
Summer On-peak							
2	First 500, kWh	413,264	\$0.077356	31,968.49	1,503,228	\$0.066800	100,415.60
3	501 -3,500, kWh	684,298	\$0.096354	65,934.87			-
4	>3,500 kWh	16,766	\$0.116354	1,950.81			-
Summer Shoulder-peak							
5	First 500, kWh	255,582	\$0.049507	12,653.09			-
6	501 -3,500, kWh	429,716	\$0.069507	29,868.29			-
7	>3,500 kWh	10,408	\$0.089507	931.58			-
Summer Off-peak							
8	First 500, kWh	1,170,661	\$0.038229	44,753.18	2,814,086	\$0.051800	145,769.65
9	501 -3,500, kWh	1,931,943	\$0.057227	110,559.31			-
10	>3,500 kWh	46,780	\$0.077227	3,612.69			-
Winter On-peak							
11	First 500, kWh	503,061	\$0.066452	33,429.40	1,391,693	\$0.056800	79,048.19
12	501 -3,500, kWh	376,700	\$0.084864	31,968.29			-
13	>3,500 kWh	2,023	\$0.104864	212.18			-
Winter Off-peak							
14	First 500, kWh	1,148,576	\$0.036452	41,867.90	2,144,159	\$0.041800	89,625.85
15	501 -3,500, kWh	858,787	\$0.054864	47,116.49			-
16	>3,500 kWh	4,599	\$0.074864	344.33			-
Subtotal Delivery (Margin) Revenue				\$519,666.90			\$504,697.28
Base Power							
18	Summer On-peak	1,114,329	\$0.054330	60,541.49	1,503,228	\$0.050669	76,167.04
19	Summer Shoulder-peak	695,706	\$0.034177	23,777.15	-	\$0.000000	-
20	Summer Off-peak	3,149,384	\$0.019467	61,309.06	2,814,086	\$0.026679	75,077.00
21	Winter On-peak kWh	881,784	\$0.042015	37,048.17	1,391,693	\$0.032893	45,776.97
22	Winter Off-peak kWh	2,011,963	\$0.024585	49,464.10	2,144,159	\$0.027092	58,089.56
TOTAL TOU R-70N-C REVENUE				\$751,806.87			\$759,807.85
24	TOTAL SALES	7,853,166			7,853,166		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
Residential Time-of-Use R-70N-D Consolidated with Residential TOU R-80						
1	Customer Charge	5,424	\$8.00	\$43,392.00	5,424 \$11.50	\$62,376.00
<u>Summer On-peak</u>						
2	First 500, kWh	200,869	\$0.091873	18,454.43	1,112,090 \$0.066800	74,287.60
3	501 -3,500, kWh	354,929	\$0.107334	38,095.99		-
4	>3,500 kWh	6,150	\$0.127334	783.16		-
<u>Summer Shoulder-peak</u>						
5	First 500, kWh	180,379	\$0.049814	8,985.40		-
6	501 -3,500, kWh	325,516	\$0.069814	22,725.59		-
7	>3,500 kWh	5,713	\$0.089814	513.07		-
<u>Summer Off-peak</u>						
8	First 500, kWh	919,875	\$0.042073	38,701.91	2,081,044 \$0.051800	107,798.09
9	501 -3,500, kWh	1,637,031	\$0.057534	94,184.94		-
10	>3,500 kWh	28,367	\$0.077534	2,199.37		-
<u>Winter On-peak</u>						
11	First 500, kWh	289,183	\$0.068737	19,877.56	1,021,079 \$0.056800	57,997.31
12	501 -3,500, kWh	236,708	\$0.085171	20,160.66		-
13	>3,500 kWh	1,062	\$0.105171	111.73		-
<u>Winter Off-peak</u>						
14	First 500, kWh	877,051	\$0.038737	33,974.32	1,572,514 \$0.041800	65,731.07
15	501 -3,500, kWh	720,607	\$0.055171	39,756.60		-
16	>3,500 kWh	3,287	\$0.075171	247.08		-
Subtotal Delivery (Margin) Revenue			\$382,163.81			\$368,190.08
Base Power						
17	Summer On-peak	561,949	\$0.058271	32,745.31	1,112,090 \$0.050669	56,348.48
18	Summer Shoulder-peak	511,608	\$0.036656	18,753.50	- \$0.000000	-
19	Summer Off-peak	2,585,273	\$0.020880	53,980.50	2,081,044 \$0.026679	55,520.18
20	Winter On-peak kWh	526,953	\$0.045063	23,746.09	1,021,079 \$0.032893	33,586.37
21	Winter Off-peak kWh	1,600,945	\$0.026368	42,213.71	1,572,514 \$0.027092	42,602.54
22	TOTAL TIME OF USE R-70N-D REVENUE		\$553,602.92			\$556,247.64
23	TOTAL SALES	5,786,727		5,786,727		
Residential Lifeline Service TOU R-201B - Is Now Frozen						
24	Customer Charge (Single Phase)	159	\$6.78	\$1,081.31	159 \$8.78	\$1,400.28
<u>Summer</u>						
25	Mid-Summer On-peak	8,244	\$0.128473	1,059.11	8,244 \$0.136900	1,128.58
26	Mid-Summer Shoulder-peak	3,900	\$0.068120	265.69	3,900 \$0.074700	291.35
27	Mid-Summer Off-peak	32,255	\$0.034962	1,127.70	32,255 \$0.038300	1,235.37
28	Remaining-Summer On-peak	7,834	\$0.090717	710.66	5,483 \$0.099500	545.59
29	Remaining-Summer Shoulder-peak	2,703	\$0.044275	119.66	2,703 \$0.048600	131.35
30	Remaining-Summer Off-peak	29,775	\$0.023038	685.96	20,657 \$0.025300	522.61
31	Winter On-peak	15,413	\$0.059481	916.76	17,763 \$0.065200	1,158.16
32	Winter Off-peak	51,295	\$0.013975	716.84	60,413 \$0.015300	924.32
33	Subtotal Delivery (Margin) Revenue		\$6,683.68			\$7,337.60
Base Power						
34	Mid-Summer On-peak	8,244	\$0.055698	459.16	8,244 \$0.055698	459.16
35	Mid-Summer Shoulder-peak	3,900	\$0.048198	187.99	3,900 \$0.048198	187.99
36	Mid-Summer Off-peak	32,255	\$0.023198	748.25	32,255 \$0.023198	748.25
37	Remaining-Summer On-peak	7,834	\$0.055698	436.33	5,483 \$0.055698	305.41
38	Remaining-Summer Shoulder-peak	2,703	\$0.048198	130.27	2,703 \$0.048198	130.27
39	Remaining-Summer Off-peak	29,775	\$0.023198	690.72	20,657 \$0.023198	479.19
40	Winter On-peak	15,413	\$0.040698	627.26	17,763 \$0.040698	722.92
41	Winter Off-peak	51,295	\$0.020698	1,061.70	60,413 \$0.020698	1,250.43
42	TOTAL LIFELINE R-XX-201B		\$11,025.36			\$11,621.23
43	TOTAL SALES	151,418		151,418		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Residential Service TOU R-2018F Consolidated with Residential TOU Service R-2018							
1	Customer Charge (Single Phase)	5,927	\$7.00	\$41,486.05	5,927	\$11.50	\$68,155.66
Summer							
2	Mid-Summer On-peak	412,357	\$0.166303	68,576.29	1,250,513	\$0.056800	71,029.15
3	Mid-Summer Shoulder-peak	172,389	\$0.093043	16,039.62			-
4	Mid-Summer Off-peak	1,624,561	\$0.031395	51,003.10	2,339,501	\$0.044000	102,938.06
5	Remaining-Summer On-peak	364,035	\$0.124945	45,484.39			-
6	Remaining-Summer Shoulder-peak	119,418	\$0.067767	8,092.58			-
7	Remaining-Summer Off-peak	1,456,605	\$0.018756	27,320.08			-
8	Winter On-peak	773,032	\$0.075935	58,700.22	1,564,449	\$0.048300	75,562.88
9	Winter Off-peak	2,639,143	\$0.006499	17,151.79	2,407,078	\$0.035500	85,451.27
10	Subtotal Delivery (Margin) Revenue		\$333,854.12				\$403,137.02
11	Mid-Summer On-peak	412,357	\$0.055698	22,967.49	1,250,513	\$0.050669	63,362.25
12	Mid-Summer Shoulder-peak	172,389	\$0.048198	8,308.82			
13	Mid-Summer Off-peak	1,624,561	\$0.023198	37,686.57	2,339,501	\$0.026679	62,415.55
14	Remaining-Summer On-peak	364,035	\$0.055698	20,276.04			
15	Remaining-Summer Shoulder-peak	119,418	\$0.048198	5,755.69			
16	Remaining-Summer Off-peak	1,456,605	\$0.023198	33,790.31			
17	Winter On-peak	773,032	\$0.040698	31,460.87	1,564,449	\$0.032893	51,459.42
18	Winter Off-peak	2,639,143	\$0.020698	54,624.99	2,407,078	\$0.027092	65,212.56
19	TOTAL TOU R-2018F		\$548,724.91				\$645,586.80
20	TOTAL SALES	7,561,541			7,561,541		
Residential Service TOU R-2018F Consolidated with Residential TOU Service R-2018							
21	Customer Charge (Single Phase)	2,464	\$7.00	\$17,248.38	2,464	\$11.50	\$28,336.62
Summer							
22	Mid-Summer On-peak	154,320	\$0.161981	24,996.89	346,597	\$0.056800	19,686.73
23	Mid-Summer Shoulder-peak	43,356	\$0.090057	3,904.52			-
24	Mid-Summer Off-peak	407,895	\$0.028409	11,587.89	649,452	\$0.044000	28,575.88
25	Remaining-Summer On-peak	148,960	\$0.112200	16,713.28			-
26	Remaining-Summer Shoulder-peak	32,007	\$0.058618	1,876.18			-
27	Remaining-Summer Off-peak	398,805	\$0.012688	5,060.04			-
28	Winter On-peak	315,061	\$0.066272	20,879.75	478,871	\$0.048300	23,129.49
29	Winter Off-peak	711,416	\$0.001201	854.41	736,900	\$0.035500	26,159.96
30	Subtotal Delivery (Margin) Revenue		\$103,121.34				\$125,888.68
31	Mid-Summer On-peak	154,320	\$0.055698	8,595.31	346,597	\$0.050669	17,561.74
32	Mid-Summer Shoulder-peak	43,356	\$0.048198	2,089.68			
33	Mid-Summer Off-peak	407,895	\$0.023198	9,462.35	649,452	\$0.026679	17,326.72
34	Remaining-Summer On-peak	148,960	\$0.055698	8,296.76			
35	Remaining-Summer Shoulder-peak	32,007	\$0.048198	1,542.67			
36	Remaining-Summer Off-peak	398,805	\$0.023198	9,251.49			
37	Winter On-peak	315,061	\$0.040698	12,822.37	478,871	\$0.032893	15,751.52
38	Winter Off-peak	711,416	\$0.020698	14,724.89	736,900	\$0.027092	19,964.10
39	TOTAL TOU R-2018F		\$169,906.85				\$196,492.76
40	TOTAL SALES	2,211,821			2,211,821		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Residential Service TOU R-201BN Consolidated with Residential TOU Service R-201B							
1	Customer Charge	696	\$8.00		696	\$11.50	\$8,004.00
MID-Summer On-peak							
2	First 500, kWh	11,829	\$0.110962		142,511	\$0.056800	8,094.60
3	501 -3,500, kWh	24,718	\$0.130962				-
4	>3,500 kWh	277	\$0.150962				-
MID-Summer Shoulder-peak							
5	First 500, kWh	10,819	\$0.043962				-
6	501 -3,500, kWh	22,549	\$0.063962				-
7	>3,500 kWh	249	\$0.083962				-
MID-Summer Off-peak							
8	First 500, kWh	57,234	\$0.020362		266,449	\$0.044000	11,723.77
9	501 -3,500, kWh	118,631	\$0.040362				-
10	>3,500 kWh	1,294	\$0.060362				-
REMAIN-Summer On-peak							
11	First 500, kWh	14,825	\$0.047962				-
12	501 -3,500, kWh	22,011	\$0.067962				-
13	>3,500 kWh	41	\$0.087962				-
REMAIN-Summer Shoulder-peak							
14	First 500, kWh	11,461	\$0.024162				-
15	501 -3,500, kWh	18,526	\$0.044162				-
16	>3,500 kWh	37	\$0.064162				-
REMAIN-Summer Off-peak							
17	First 500, kWh	62,102	\$0.016462				-
18	501 -3,500, kWh	100,213	\$0.036462				-
19	>3,500 kWh	198	\$0.056462				-
Winter On-peak							
20	First 500, kWh	41,562	\$0.047962		172,825	\$0.048300	8,347.44
21	501 -3,500, kWh	53,991	\$0.067962				-
22	>3,500 kWh	93	\$0.087962				-
Winter Off-peak							
23	First 500, kWh	119,596	\$0.016462		266,031	\$0.035500	9,444.11
24	501 -3,500, kWh	155,274	\$0.036462				-
25	>3,500 kWh	286	\$0.056462				-
26	Subtotal Delivery (Margin) Revenue		\$39,442.95				\$45,613.92
Base Power							
27	Mid-Summer On-peak	36,825	\$0.077356		142,511	\$0.050669	7,220.87
28	Mid-Summer Shoulder-peak	33,617	\$0.038166				-
29	Mid-Summer Off-peak	177,159	\$0.033166		266,449	\$0.026679	7,108.60
30	Remaining-Summer On-peak	36,876	\$0.057356				-
31	Remaining-Summer Shoulder-peak	30,024	\$0.018166				-
32	Remaining-Summer Off-peak	162,513	\$0.013166				-
33	Winter On-peak	95,646	\$0.061223		172,825	\$0.032893	5,684.72
34	Winter Off-peak	275,156	\$0.017033		266,031	\$0.027092	7,207.32
35	TOTAL TOU R-201BN REVENUE		\$64,792.86				\$72,835.44
36	TOTAL SALES	847,816			847,816		

LINE NO.		Test Year		Test Year Adjusted Revenue	Proposed Adjusted		Proposed Revenues
		Adjusted Billing Determinants	Current Rates		Billing Determinants	Proposed Rates	
Residential Service TOU R-201CN Consolidated with Residential TOU Service R-201B							
1	Customer Charge	329	\$8.00	\$2,632.00	329	\$11.50	\$3,783.50
	MID-Summer On-peak						
2	First 500, kWh	3,953	\$0.099462	393.15	24,024	\$0.056800	1,364.56
3	501 -3,500, kWh	3,816	\$0.117162	447.04			-
4	>3,500 kWh	-	\$0.134862	-			-
	MID-Summer Shoulder-peak						
5	First 500, kWh	2,040	\$0.040512	82.65			-
6	501 -3,500, kWh	2,430	\$0.058212	141.44			-
7	>3,500 kWh	-	\$0.075912	-			-
	MID-Summer Off-peak						
8	First 500, kWh	14,980	\$0.019626	293.99	45,026	\$0.044000	1,981.17
9	501 -3,500, kWh	15,497	\$0.037326	578.45			-
10	>3,500 kWh	-	\$0.055026	-			-
	REMAIN-Summer On-peak						
11	First 500, kWh	3,445	\$0.044052	151.77			-
12	501 -3,500, kWh	3,485	\$0.061752	215.18			-
13	>3,500 kWh	-	\$0.079452	-			-
	REMAIN-Summer Shoulder-peak						
14	First 500, kWh	2,616	\$0.022989	60.14			-
15	501 -3,500, kWh	2,711	\$0.040689	110.31			-
16	>3,500 kWh	-	\$0.058389	-			-
	REMAIN-Summer Off-peak						
17	First 500, kWh	14,880	\$0.016175	240.68			-
18	501 -3,500, kWh	14,818	\$0.033875	501.97			-
19	>3,500 kWh	-	\$0.051575	-			-
	Winter On-peak						
20	First 500, kWh	11,128	\$0.044052	490.19	33,302	\$0.048300	1,608.49
21	501 -3,500, kWh	7,870	\$0.061752	486.00			-
22	>3,500 kWh	-	\$0.079452	-			-
	Winter Off-peak						
23	First 500, kWh	29,014	\$0.016175	469.30	51,137	\$0.035500	1,815.37
24	501 -3,500, kWh	20,808	\$0.033875	704.86			-
25	>3,500 kWh	-	\$0.051575	-			-
26	Subtotal Delivery (Margin) Revenue			\$7,999.13			\$10,553.08
	Base Power						
27	Mid-Summer On-peak	7,768	\$0.078903	612.95	24,024	\$0.050669	1,217.26
28	Mid-Summer Shoulder-peak	4,470	\$0.038929	174.01	-		-
29	Mid-Summer Off-peak	30,477	\$0.033829	1,031.00	45,026	\$0.026679	1,201.26
30	Remaining-Summer On-peak	6,930	\$0.058503	405.41	-		-
31	Remaining-Summer Shoulder-peak	5,327	\$0.018529	98.71	-		-
32	Remaining-Summer Off-peak	29,698	\$0.013429	398.81	-		-
33	Winter On-peak	18,998	\$0.062447	1,186.36	33,302	\$0.032893	1,095.40
34	Winter Off-peak	49,822	\$0.017374	865.60	51,137	\$0.027092	1,385.40
35	TOTAL TOU R-201CN REVENUE			\$12,771.99			\$15,452.41
36	TOTAL SALES	153,489			153,489		
37	RESIDENTIAL STANDARD SUBTOTAL						\$401,787,904.20
38	RESIDENTIAL TIME OF USE SUBTOTAL						\$12,166,959.53
39	RESIDENTIAL COMMUNITY SOLAR						\$362,756.94
40	RESIDENTIAL LIFELINE DISCOUNT						(\$2,493,089.80)
41	RESIDENTIAL TOTAL REVENUE						\$411,824,530.88

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
Small General Service SGS-10							
1	Customer Charge (Single Phase)	206,171	\$8.00	\$1,649,368.00	206,171	\$15.50	\$3,195,650.50
2	Customer Charge (Three Phase)	212,653	\$14.00	2,977,142.00	212,653	\$20.50	4,359,386.50
Summer							
3	First 500, kWh	83,218,214	\$0.056236	4,679,859.46	70,402,123	\$0.076800	5,406,883.03
4	≥ 501 kWh	924,529,471	\$0.085145	78,719,061.80	794,353,073	\$0.097600	77,528,859.89
Winter							
5	First 500, kWh	85,492,289	\$0.051252	4,381,650.82	98,308,380	\$0.056800	5,583,916.00
6	≥ 501 kWh	676,979,742	\$0.080145	54,256,541.39	807,156,140	\$0.078800	63,603,903.82
7	Primary Metering Discount		(4,847.65)			(4,847.65)	
8	Subtotal Delivery (Margin) Revenue		\$146,658,775.81			\$159,673,752.08	
9	Base Power Summer	1,007,747,684	\$0.031550	31,794,439.45	864,755,195	\$0.035111	30,362,419.67
10	Base Power Winter	762,472,031	\$0.024222	18,468,597.53	905,464,520	\$0.031532	28,551,107.25
11	TOTAL General Service SGS-10		\$196,921,812.79			\$218,587,279.00	
12	TOTAL SALES	1,770,219,715			1,770,219,715		
Municipal Service PS-40 Consolidated with Small General Service SGS-10							
13	Customer Charge (Single Phase)	8,849	\$0.00	\$0.00	8,849	\$15.50	\$137,159.50
Summer							
14	First 500, kWh	64,734,411	\$0.057530	3,724,170.65	4,420,553	\$0.076800	339,498.47
15	≥ 501 kWh		-	-	50,114,177	\$0.097600	4,891,143.64
Winter							
16	First 500, kWh	53,570,309	\$0.053159	2,847,744.07	6,912,295	\$0.056800	392,618.38
17	≥ 501 kWh		-	-	56,857,695	\$0.078800	4,480,386.36
18	Subtotal Delivery (Margin) Revenue		\$6,571,914.72			\$10,240,806.35	
19	Base Power Summer	64,734,411	0.032245	2,087,361.07	54,534,730	\$0.035111	1,914,768.89
20	Base Power Winter	53,570,309	\$0.024745	1,325,597.30	63,769,990	\$0.031532	2,010,795.33
21	TOTAL PS-40 REVENUE		\$9,984,873.09			\$14,166,370.58	
22	TOTAL SALES	118,304,720			118,304,720		
SGS Time of Use SGS-76F Consolidated with SGS TOU 76							
14	Customer Charge	9,936	\$8.00	\$79,488.00	9,936	\$17.50	\$173,880.00
15	Summer On-peak	9,825,216	\$0.207220	2,035,981.36	16,433,218	\$0.098700	1,621,958.60
16	Summer Shoulder-peak	3,497,021	\$0.119884	419,236.89	-	-	-
17	Summer Off-peak	46,772,467	\$0.042825	2,003,030.91	35,012,373	\$0.084500	2,958,545.54
18	Winter On-peak kWh	10,425,706	\$0.130159	1,356,999.48	23,274,964	\$0.081000	1,885,272.08
19	Winter Off-peak kWh	39,244,555	\$0.027411	1,075,732.50	35,044,410	\$0.064500	2,260,364.44
20	Subtotal Delivery (Margin) Revenue		\$6,970,469.14			\$8,900,020.66	
21	Base Power						
22	Summer On-peak kWh	9,825,216	\$0.056123	551,420.62	16,433,218	\$0.050669	832,654.71
23	Summer Shoulder-peak	3,497,021	\$0.056123	196,263.32	-	-	-
24	Summer Off-peak kWh	46,772,467	\$0.023623	1,104,905.99	35,012,373	\$0.026679	934,095.11
25	Winter On-peak kWh	10,425,706	\$0.038809	404,611.23	23,274,964	\$0.032893	765,583.39
26	Winter Off-peak kWh	39,244,555	\$0.018809	738,150.84	35,044,410	\$0.027092	949,423.15
27	TOTAL TOU SGS-76F REVENUE		\$9,965,821.15			\$12,381,777.02	
28	TOTAL SALES	109,764,966			109,764,965		

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LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues	
SGS Time of Use SGS-76N Consolidated with SGS TOU 76							
1	Customer Charge	1,152	\$9.00		1,152	\$17.50	\$20,160.00
Summer On-peak							
2	First 500, kWh	53,632	\$0.153751		2,195,464	\$0.098700	216,692.26
3	501 -3,500, kWh	1,659,304	\$0.182660				-
Summer Shoulder-peak							
4	First 500, kWh	44,206	\$0.041416				-
5	501 -3,500, kWh	1,358,337	\$0.070325				-
Summer Off-peak							
6	First 500, kWh	150,763	\$0.027416		4,658,430	\$0.084500	393,637.30
7	501 -3,500, kWh	4,722,873	\$0.056325				-
Winter On-peak							
8	First 500, kWh	86,798	\$0.088434		2,777,047	\$0.081000	224,940.85
9	501 -3,500, kWh	1,918,001	\$0.117327				-
Winter Off-peak							
10	First 500, kWh	165,442	\$0.027415		4,194,613	\$0.064500	270,552.51
11	501 -3,500, kWh	3,666,198	\$0.056308				-
Subtotal Delivery (Margin) Revenue				\$1,132,888.48			\$1,125,982.91
Base Power							
13	Summer On-peak	1,712,936	\$0.052000		2,195,464	\$0.050669	111,241.95
14	Summer Shoulder-peak	1,402,543	\$0.032000		-	-	-
15	Summer Off-peak	4,873,636	\$0.022000		4,658,430	\$0.026679	124,282.24
16	Winter On-peak kWh	2,004,799	\$0.032000		2,777,047	\$0.032893	91,345.42
17	Winter Off-peak kWh	3,831,639	\$0.022000		4,194,613	\$0.027092	113,640.44
TOTAL TOU SGS 76N REVENUE				\$1,522,512.15			\$1,566,492.97
19	TOTAL SALES	13,825,553			13,825,553		
GS Mobile Home Parks GS-11 Frozen							
20	Customer Charge Single Pha	3,722	\$8.00		3,722	\$15.50	\$57,685.08
21	Customer Charge Three Pha	346	\$14.00		346	\$20.50	7,100.83
22	Summer kWh	30,805,210	\$0.067290		26,876,589	\$0.082000	2,203,880.28
23	Winter kWh	27,809,489	\$0.052751		31,738,111	\$0.062000	1,967,762.88
24	Primary Metering Discount			(3,284.98)			(3,284.98)
25	Transformer Owned Discount			(3,430.22)			(3,430.22)
Subtotal Delivery (Margin) Revenue				\$3,567,768.07			\$4,229,713.87
27	Base Power Summer	30,805,210	\$0.028730		26,876,589	\$0.035111	943,663.91
28	Base Power Winter	27,809,489	\$0.028730		31,738,111	\$0.031532	1,000,766.12
TOTAL GS-11 REVENUE				\$5,251,768.40			\$6,174,143.90
30	TOTAL SALES	58,614,700			58,614,700		

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LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
1	Water Pumping GS-43					
2	Customer Charge	4,063 \$ -	\$0.00	4,063	\$15.50	\$62,976.50
3	Summer kWh	29,185,229	\$0.060347	24,321,024	\$0.0680	1,653,829.62
4	Winter kWh	20,994,203	\$0.055731	25,858,408	\$0.0480	<u>1,241,203.58</u>
5	Subtotal Delivery (Margin) Revenue		\$2,931,268.92			\$2,958,009.70
6	Base Power Summer	29,185,229	\$0.029868	24,321,024	\$0.035111	853,935.47
7	Base Power Winter	20,994,203	\$0.022368	25,858,408	\$0.031532	815,367.32
8	TOTAL GS-43 REVENUE		\$4,272,571.66			\$4,627,312.48
9	TOTAL SALES	50,179,432		50,179,432		
	Water Pumping GS-31 Consolidated with Water Pumping GS-43					
10	Customer Charge	365 \$ -	\$0.00	365	\$15.50	\$5,657.50
11	Summer kWh	11,400,116	\$0.025700	9,620,168	\$0.042000	404,047.07
12	Winter kWh	2,773,403	\$0.024205	4,553,351	\$0.027000	<u>122,940.47</u>
13	Subtotal Delivery (Margin) Revenue		\$360,113.20			\$532,645.03
14	Base Power Summer	11,400,116	\$0.028730	9,620,168	\$0.031310	301,207.47
15	Base Power Winter	2,773,403	\$0.028730	4,553,351	\$0.028420	129,406.22
16	TOTAL GS-31 REVENUE		\$767,318.39			\$963,258.72
17	TOTAL SALES	14,173,519		14,173,519		
	Water Pumping GS-45 Consolidated with Water Pumping GS-43					
18	Customer Charge	1,382 \$ -	\$0.00	1,382	\$15.50	\$21,421.00
19	Summer kWh	25,751,439	\$0.027281	21,459,532	\$0.042000	901,300.35
20	Winter kWh	17,480,298	\$0.025911	21,772,204	\$0.027000	<u>587,849.51</u>
21	Subtotal Delivery (Margin) Revenue		\$1,155,456.99			\$1,510,570.87
22	Base Power Summer	25,751,439	\$0.029868	21,459,532	\$0.031310	671,897.95
23	Base Power Winter	17,480,298	\$0.022368	21,772,204	\$0.028420	618,766.04
24	TOTAL GS-45 REVENUE		\$2,315,600.26			\$2,801,234.86
25	TOTAL SALES	43,231,736		43,231,736		
	LARGE GENERAL SERVICE LGS-13					
26	Customer Charge	6,420	\$371.88	6,420	\$775.00	\$4,975,500.00
27	ALL kW	2,571,910	\$10.35	2,719,841	\$15.25	41,477,573.96
28	Summer kWh	582,034,661	\$0.025656	494,868,791	\$0.0192	9,501,480.79
29	Winter kWh	463,029,153	\$0.023910	550,195,023	\$0.0134	7,372,613.31
30	Primary Metering Discount		(35,627.70)			(35,627.70)
31	Transformer Owned Discount		(27,316.74)			(27,316.74)
32	Subtotal Delivery (Margin) Revenue		\$54,952,647.51			\$63,264,223.62
33	Base Power					
34	Summer kWh	582,034,661	\$0.032554	494,868,791	\$0.035111	17,375,338.13
35	Winter kWh	463,029,153	\$0.025054	550,195,023	\$0.031532	17,348,749.46
36	TOTAL LGS-13 REVENUE		\$85,500,936.28			\$97,988,311.22
37	TOTAL SALES	1,045,063,814		1,045,063,814		

LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
LGS Time of Use LGS-85F Consolidated with LGS TOU 85						
1	Customer Charge	87	\$371.88	87	\$950.00	\$82,417.16
2	Summer On-Peak kW	19,345	\$17.32	16,153	\$14.55	235,025.85
3	Summer Shoulder-Peak kW	0	\$8.66	-	-	-
4	Summer Off-peak kW	-	\$11.46	-	\$10.92	-
5	Winter On-Peak kW	17,037	\$9.65	20,403	\$11.59	236,467.90
6	Winter Off-peak kW	-	\$4.82	-	\$9.10	-
7	Summer On-peak	1,276,087	\$0.083765	1,698,736	\$0.008600	14,609.13
8	Summer Shoulder-peak	437,006	\$0.053910	-	\$0.00	-
9	Summer Off-peak	6,281,523	\$0.005693	5,082,830	\$0.006000	30,496.98
10	Winter On-peak kWh	1,381,684	\$0.053910	2,613,835	\$0.003000	7,841.50
11	Winter Off-peak kWh	5,266,449	\$0.005693	5,247,350	\$0.000500	2,623.67
12	Subtotal Delivery (Margin) Revenue		\$802,338.15			\$609,482.19
Base Power						
13	Summer On-peak kWh	1,276,087	\$0.056452	1,698,736	\$0.050669	86,073.27
14	Summer Shoulder-peak	437,006	\$0.056452	-	\$0.00	-
15	Summer Off-peak kWh	6,281,523	\$0.023952	5,082,830	\$0.026679	135,604.81
16	Winter On-peak kWh	1,381,684	\$0.039341	2,613,835	\$0.032893	85,976.86
17	Winter Off-peak kWh	5,266,449	\$0.019341	5,247,350	\$0.027092	142,161.20
18	TOTAL TOU LGS-85F REVENUE		\$1,205,715.98			\$1,059,298.33
19	TOTAL SALES	14,642,750		14,642,750		
LGS Time of Use LGS-85AF Consolidated with LGS TOU 85						
20	Customer Charge	201	\$371.88	201	\$950.00	\$191,182.84
21	Summer On-Peak kW	33,507	\$7.95	28,787	\$14.55	418,848.43
22	Summer Shoulder-Peak kW	-	\$5.26	-	-	-
23	Summer Off-peak kW	-	\$3.98	-	\$10.92	-
24	Winter On-Peak kW	30,755	\$5.26	35,746	\$11.59	414,296.16
25	Winter Off-peak kW	-	\$2.63	-	\$9.10	-
26	Summer On-peak	2,599,727	\$0.053290	6,641,029	\$0.008600	57,112.85
27	Summer Shoulder-peak	922,051	\$0.044980	-	\$0.00	-
28	Summer Off-peak	13,913,940	\$0.036667	8,319,627	\$0.006000	49,917.76
29	Winter On-peak kWh	2,874,352	\$0.044980	5,654,275	\$0.003000	16,962.83
30	Winter Off-peak kWh	11,361,383	\$0.028356	11,056,522	\$0.000500	5,528.26
31	Subtotal Delivery (Margin) Revenue		\$1,644,561.64			\$1,153,849.13
Base Power						
32	Summer On-peak kWh	2,599,727	\$0.056452	6,641,029	\$0.050669	336,494.32
33	Summer Shoulder-peak	922,051	\$0.056452	-	\$0.00	-
34	Summer Off-peak kWh	13,913,940	\$0.023952	8,319,627	\$0.026679	221,959.33
35	Winter On-peak kWh	2,874,352	\$0.039341	5,654,275	\$0.032893	185,986.08
36	Winter Off-peak kWh	11,361,383	\$0.019341	11,056,522	\$0.027092	299,543.28
37	TOTAL TOU LGS-85AF REVENUE		\$2,509,460.16			\$2,197,832.14
38	TOTAL SALES	31,671,453		31,671,453		

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LINE NO.	Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
LGS Time of Use LGS-85N Consolidated with LGS TOU 85						
1	Customer Charge	756	\$371.88	756	\$950.00	\$718,200.00
2	Summer On-Peak kW	159,325	\$11.87	136,794	\$14.55	1,990,350.48
3	Summer Off-peak kW	152,908	\$8.24	131,265	\$10.92	1,433,412.12
4	Winter On-Peak kW	141,095	\$8.91	168,568	\$11.59	1,953,701.06
5	Winter Off-peak kW	140,289	\$6.42	161,933	\$9.10	1,473,590.00
6	Summer On-peak	14,680,576	\$0.007500	21,189,064	\$0.008600	182,225.95
7	Summer Shoulder-peak	13,087,176	\$0.005000	-	\$0.00	-
8	Summer Off-peak	61,745,731	\$0.002500	55,253,420	\$0.006000	331,520.52
9	Winter On-peak kWh	23,409,799	\$0.002500	32,576,235	\$0.003000	97,728.70
10	Winter Off-peak kWh	57,377,182	\$0.000000	61,281,744	\$0.000500	30,640.87
11	Subtotal Delivery (Margin) Revenue		\$5,977,661.07			\$8,211,369.71
Base Power						
12	Summer On-peak kWh	14,680,576	\$0.059253	21,189,064	\$0.050669	1,073,628.70
13	Summer Shoulder-peak	13,087,176	\$0.033588	-	\$0.00	-
14	Summer Off-peak kWh	61,745,731	\$0.025299	55,253,420	\$0.026679	1,474,105.99
15	Winter On-peak kWh	23,409,799	\$0.036088	32,576,235	\$0.032893	1,071,530.09
16	Winter Off-peak kWh	57,377,182	\$0.027799	61,281,744	\$0.027092	1,660,245.02
17	TOTAL TOU LGS-85AN REVENUE		\$11,289,047.63			\$13,490,879.50
18	TOTAL SALES	170,300,463		170,300,463		
19	SMALL GENERAL SERVICE STANDARD					\$232,753,649.57
20	SMALL GENERAL SERVICE TIME OF USE					\$13,948,269.99
21	GENERAL SERVICE MOBILE HOME PARKS					\$6,174,143.90
22	WATER PUMPING SERVICE					\$8,391,806.07
23	LARGE GENERAL SERVICE					\$97,988,311.22
24	LARGE GENERAL SERVICE CONTRACT					\$182,646.07
25	LARGE GENERAL SERVICE TIME OF USE					\$16,748,009.97
26	GENERAL SERVICE COMMUNITY SOLAR					\$38,883.97
27	GENERAL SERVICE (PS-40) TRANSITION ADJUSTMENT					(\$1,620,842.00)
28	GENERAL SERVICE TOTAL REVENUE					\$374,604,878.75

LINE NO.		Test Year Adjusted Billing		Test Year	Proposed Adjusted Billing	Proposed	Proposed
		Determinants	Current Rates	Adjusted Revenue	Determinants	Rates	Revenues
1	LARGE LIGHT & POWER STANDARD SERVICE I-14						
2	Customer Charge	48	\$500.00	\$24,000.00	48	\$1,800.00	\$86,400.00
3	Demand per kW	648,222	\$19.02	12,331,770.68	657,888	\$21.98	14,460,383.86
4	Summer kWh	194,411,279	\$0.000433	84,180.08	164,577,383	\$0.0032	526,647.63
5	Winter kWh	157,043,001	\$0.000433	67,999.62	186,876,897	\$0.0021	392,441.48
6	Power Factor Adjustment			(38,298.99)			-
7	Subtotal Delivery (Margin) Revenue			\$12,469,651.40			\$15,465,872.97
8	Base Power Summer	194,411,279	\$0.032577	6,333,336.24	164,577,383	\$0.031611	5,202,455.67
9	Base Power Winter	157,043,001	\$0.025077	3,938,167.34	186,876,897	\$0.028388	5,305,061.35
10	TOTAL LL&P I-14 REVENUE			\$22,741,154.98			\$25,973,389.99
11	TOTAL SALES	351,454,280			351,454,280		
12	LLP Time of Use LLP-90F Consolidated with Rate LLP TOU I-90						
13	Customer Charge	36	\$500.00	\$18,000.00	36	\$2,000.00	\$72,000.00
14	Summer On-Peak kW	129,214	\$25.70	3,321,056.05	108,502	\$20.49	2,223,204.65
15	Summer Shoulder-Peak kW	-	\$19.45			\$0.00	
16	Summer Off-peak kW	381	\$13.20	5,026.79	0	\$12.49	-
17	Winter On-Peak kW	118,244	\$21.70	2,566,127.73	143,938	\$15.49	2,229,604.52
18	Winter Off-peak kW	306	\$9.20	2,817.33	0	\$9.99	-
19	Summer On-peak	12,789,577	\$0.000433	5,537.89	32,267,296	\$0.006900	222,644.34
20	Summer Shoulder-peak	5,101,626	\$0.000433	2,209.00		\$0.00	-
21	Summer Off-peak	73,829,358	\$0.000433	31,968.11	44,351,515	\$0.006500	288,284.85
22	Winter On-peak kWh	15,295,174	\$0.000433	6,622.81	30,752,002	\$0.007500	230,640.02
23	Winter Off-peak kWh	63,468,318	\$0.000433	27,481.78	63,113,261	\$0.007100	448,104.16
24	Power Factor Adjustment Charge			(14,945.30)			-
25	Subtotal Delivery (Margin) Revenue			\$5,971,902.20			\$5,714,482.53
	Base Power						
26	Summer On-peak kWh	12,789,577	\$0.052983	677,630.17	32,267,296	\$0.045568	1,470,356.15
27	Summer Shoulder-peak	5,101,626	\$0.052983	270,299.45	-	\$0.00	-
28	Summer Off-peak kWh	73,829,358	\$0.020483	1,512,246.74	44,351,515	\$0.023985	1,063,771.09
29	Winter On-peak kWh	15,295,174	\$0.035623	544,860.00	30,752,002	\$0.029581	909,674.98
30	Winter Off-peak kWh	63,468,318	\$0.015623	991,565.54	63,113,261	\$0.024352	1,536,934.14
31	TOTAL LLP-90F REVENUE			\$9,968,504.09			\$10,695,218.89
32	TOTAL SALES	170,484,054			170,484,075		

LINE NO.		Test Year Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Proposed Adjusted Billing Determinants	Proposed Rates	Proposed Revenues
LLP Time of Use LLP-90AF Consolidated with Rate LLP TOU I-90							
1	Customer Charge	12	\$500.00	\$6,000.00	12	\$2,000.00	\$24,000.00
2	Summer On-Peak kW	23,108	\$25.58	591,115.52	19,420	\$20.49	397,915.80
3	Summer Shoulder-Peak kW	0	\$18.08	-	-	\$0.00	-
4	Summer Off-peak kW	0	\$10.58	-	-	\$12.49	-
5	Winter On-Peak kW	21,095	\$21.58	455,259.83	24,783	\$15.49	383,888.67
6	Winter Off-peak kW	0	\$10.58	-	-	\$0.00	-
7	Summer On-peak	2,487,981	\$0.006203	15,432.16	5,900,062	\$0.006900	40,710.42
8	Summer Shoulder-peak	691,357	\$0.006203	4,288.27	-	-	-
9	Summer Off-peak	12,031,280	\$0.006203	74,626.22	8,805,988	\$0.006500	57,238.92
10	Winter On-peak kWh	2,778,185	\$0.006203	17,232.20	4,936,738	\$0.007500	37,025.54
11	Winter Off-peak kWh	11,808,048	\$0.006203	73,241.58	10,154,063	\$0.007100	72,093.85
12	Power Factor Adjustment Charge			(991.62)			-
13	Subtotal Delivery (Margin) Revenue			\$1,236,204.14			\$1,012,873.20
Base Power							
14	Summer On-peak kWh	2,487,981	\$0.052983	131,820.68	5,900,062	\$0.045568	268,854.00
15	Summer Shoulder-peak	691,357	\$0.052983	36,630.18	-	\$0.00	-
16	Summer Off-peak kWh	12,031,280	\$0.020483	246,436.71	8,805,988	\$0.023985	211,211.63
17	Winter On-peak kWh	2,778,185	\$0.035623	98,967.27	4,936,738	\$0.029581	146,033.65
18	Winter Off-peak kWh	11,808,048	\$0.015623	184,477.14	10,154,063	\$0.024352	247,271.74
19	TOTAL LLP-90AF REVENUE			\$1,934,536.13			\$1,886,244.24
20	TOTAL SALES	29,796,851			29,796,851		
LLP Time of Use LLP-90AN Consolidated with Rate LLP TOU I-90							
21	Customer Charge	72	\$500.00	\$24,000.00	72	\$2,000.00	\$144,000.00
22	Summer On-Peak kW	1,126,518	\$20.03	5,631,073.96	942,458	\$20.49	19,310,956.22
23	Summer Off-peak kW	0	\$10.03	-	-	\$12.49	-
24	Winter On-Peak kW	1,101,530	\$15.03	3,830,620.95	1,293,879	\$15.49	20,042,187.50
25	Winter Off-peak kW	0	\$7.53	-	-	\$9.99	-
26	Summer On-peak	119,764,712	\$0.001113	31,295.27	259,407,650	\$0.006900	1,789,912.78
27	Summer Shoulder-peak	117,575,158	\$0.001113	29,824.13		\$0.00	-
28	Summer Off-peak	482,023,611	\$0.000716	80,888.09	320,205,034	\$0.006500	2,081,332.72
29	Winter On-peak kWh	220,927,188	\$0.000723	32,384.33	267,092,274	\$0.007500	2,003,192.06
30	Winter Off-peak kWh	455,386,868	\$0.000521	52,062.61	548,972,579	\$0.007100	3,897,705.31
31	Power Factor Adjustment Charge			(9,596.13)			-
32	Subtotal Delivery (Margin) Revenue			\$9,702,553.21			\$49,269,286.60
Base Power							
33	Summer On-peak kWh	119,764,712	\$0.041786	1,174,936.52	259,407,650	\$0.045568	11,820,687.78
34	Summer Shoulder-peak	117,575,158	\$0.041786	1,119,704.50	0	\$0.00	-
35	Summer Off-peak kWh	482,023,611	\$0.026872	3,035,788.59	320,205,034	\$0.023985	7,680,117.73
36	Winter On-peak kWh	220,927,188	\$0.027126	1,215,016.88	267,092,274	\$0.029581	7,900,856.57
37	Winter Off-peak kWh	455,386,868	\$0.019542	1,952,797.64	548,972,579	\$0.024352	13,368,580.25
38	TOTAL LLP-90AN REVENUE			\$18,200,797.34			\$90,039,528.93
39	TOTAL SALES	1,395,677,537			1,395,677,537		
40							
41	LARGE LIGHT & POWER STANDARD						\$25,973,390
42	LARGE LIGHT & POWER TIME OF USE						102,620,992
43	LARGE LIGHT & POWER CONTRACT						1,680,035
44	LARGE LIGHT & POWER SERVICE TOTAL REVENUE						\$130,274,417

LINE NO.	Test Year			Proposed Adjusted Billing		
	Adjusted Billing Determinants	Current Rates	Test Year Adjusted Revenue	Determinants	Proposed Rates	Proposed Revenues
Traffic Signal and Street Light Service PS-41						
1	Customer Charge	15,006	\$0.00	\$0.00	15,006	\$0.00
2	Summer kWh	11,178,373	\$0.045580	509,510.24	11,178,373	\$0.047600
3	Winter kWh	18,556,213	\$0.045580	845,792.19	18,556,213	\$0.047600
4	Subtotal Delivery (Margin) Revenue			\$1,355,302.43		\$1,415,366.29
5						
6	PPFAC SUMMER	11,178,373	\$0.025817	288,592.06	11,178,373	\$0.035111
7	PPFAC WINTER	18,556,213	\$0.025817	479,065.75	18,556,213	\$0.031532
8	TOTAL PS-41 REVENUE			\$2,122,960.24		\$2,392,964.66
9	P-41 Total Sales	29,734,586			29,734,586	
Lighting Service P-50						
10	55Watt	1,428	\$7.39	\$10,552.92		\$8.19
11	70Watt	2,472	\$7.39	18,268.08		\$8.19
12	100 Watt	121,283	\$7.39	896,281.37		\$8.19
13	250 Watt	19,574	\$11.09	217,114.81		\$12.29
14	400 Watt	3,904	\$17.11	66,797.44		\$18.70
15	Underground Service	23,986	\$14.01	336,139.80		\$15.53
16	Pole	47,144	\$2.58	121,725.81		\$2.86
17	Subtotal Delivery (Margin) Revenue			\$1,666,880.23		\$1,846,152.45
18	Base Powr					
19	55Watt	1,428	\$0.43	\$609.76		
20	70Watt	2,472	\$0.54	1,342.30		
21	100 Watt	121,283	\$0.78	94,115.61	Base Power	
22	250 Watt	19,574	\$1.94	37,973.56	Sum kWh	2,832,315
23	400 Watt	3,904	\$3.10	12,118.02	Win kWh	4,863,888
24	TOTAL LIGHTING SERVICE REVENUE			\$1,813,039.47		\$2,098,965.99
25	LIGHTING SERVICE TOTAL REVENUE					\$4,491,930.64
26	TOTAL REVENUE REQUIREMENT ALL CLASSES					\$921,195,757

UNBUNDLED TARIFFS



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 101

Superseding:

Residential Electric Service (R-01)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single-phase or three-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to the Residential Electric Water Heating Service Rate (R-02F) which is no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill	\$10.00 per month
Customer Charge, Three Phase service and minimum bill	\$15.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$12.50 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$17.50 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$16.50 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$21.50 per month

Energy Charges (\$/kWh)

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 – 500 kWh	\$0.056200	\$0.035111	varies	\$0.091311
501 – 1,000 kWh	\$0.067200	\$0.035111	varies	\$0.102311
1,001 – 3,500 kWh	\$0.079800	\$0.035111	varies	\$0.114911
Over 3,500 kWh	\$0.088200	\$0.035111	varies	\$0.123311

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-01
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 101-1

Superseding:

Winter (October - April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 – 500 kWh	\$0.056200	\$0.031532	<i>varies</i>	\$0.087732
501 – 1,000 kWh	\$0.065200	\$0.031532	<i>varies</i>	\$0.096732
1,001 – 3,500 kWh	\$0.078100	\$0.031532	<i>varies</i>	\$0.109632
Over 3,000 kWh	\$0.087100	\$0.031532	<i>varies</i>	\$0.118632

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline Customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

LIFELINE ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-01
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 101-2

Superseding:

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
Total	\$10.00 per month	\$15.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
LFCR	\$2.50 per month	\$2.50 per month
Total	\$12.50 per month	\$17.50 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-01
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 101-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.74 per month	\$2.60 per month
Meter Reading	\$1.17 per month	\$1.77 per month
Billing & Collection	\$5.04 per month	\$7.56 per month
Customer Delivery	\$2.05 per month	\$3.07 per month
LFCR	\$6.50 per month	\$6.50 per month
Total	\$16.50 per month	\$21.50 per month

Energy Charge Components (Unbundled):

Component	Summer (May – September)	Winter (October - April)
0 – 500 kWh	\$0.001800	\$0.004200
501 – 1,000 kWh	\$0.012800	\$0.013200
1,001 – 3,500 kWh	\$0.025400	\$0.026100
Over 3,500 kWh	\$0.033800	\$0.035100
Generation Capacity	\$0.039800	\$0.037400
Fixed Must Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charges:

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.03511100	\$0.03153200
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-01
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 102

Superseding:

Residential Time-of-Use (R-80)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$14.00 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$18.00 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.066800	\$0.050669	varies	\$0.117469
Off-Peak	\$0.051800	\$0.026679	varies	\$0.078479

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.056800	\$0.032893	varies	\$0.089693
Off-Peak	\$0.041800	\$0.027092	varies	\$0.068892

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-80
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 102-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ELECTRIC VEHICLES

Customers who own and operate Electric Vehicles will receive a 5% discount to the Base Fuel during the off-peak period and the PPFAC. Customers must provide documentation for highway approved Electric Vehicles.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-80
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 102-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
Total	\$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$2.50 per month
Total	\$14.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$6.50 per month
Total	\$18.00 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-80
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 102-3

Superseding: _____

Energy Charge Components (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.040900	\$0.025900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.05066900	\$0.02667900
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components (Unbundled):

Winter (October - April)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.030900	\$0.015900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October - April)	On-Peak	Off-Peak
Base Power Component	\$0.03289300	\$0.02709200
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-80
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 103

Superseding:

Residential Lifeline/Senior Discount (R-04-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase or three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Summer (May – September)	\$0.0611	\$0.033198	<i>varies</i>	\$0.094298
Winter (October – April)	\$0.0570	\$0.025698	<i>varies</i>	\$0.082698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 103-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	35%
301 - 600 kWh	30%
601- 1,000 kWh	25%
1001- 1,500 kWh	15%
Over 1,500 kWh	0%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 103-2

Superseding:

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
Total	\$6.90 per month	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
Total	\$9.40 per month	\$14.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 103-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
Total	\$13.40 per month	\$18.40 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge:

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 104

Superseding:

Residential Lifeline/Senior Discount (R-04-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.0788	\$0.053198	<i>varies</i>	\$0.131998
Off-Peak	\$0.0301	\$0.023198	<i>varies</i>	\$0.053298

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.0652	\$0.040698	<i>varies</i>	\$0.105898
Off-Peak	\$0.0330	\$0.020698	<i>varies</i>	\$0.053698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 104-1

Superseding:

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	35%
301 - 600 kWh	30%
601 - 1000 kWh	25%
1001 - 1500 kWh	15%
Over 1500 kWh	0%

TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 104-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
Total	\$8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
Total	\$11.36 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
Total	\$15.36 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 104-3
Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.05319800	\$0.02319800
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.04069800	\$0.02069800
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 105

Superseding: _____

Residential Lifeline/Senior Discount (R-04-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, and reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.139300	\$0.055698	<i>varies</i>	\$0.194998
Shoulder	\$0.074000	\$0.048198	<i>varies</i>	\$0.122198
Off-Peak	\$0.037900	\$0.023198	<i>varies</i>	\$0.061098

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 105-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0- 300 kWh	35%
301- 600 kWh	30%
601- 1,000 kWh	25%
1001- 1,500 kWh	15%
Over 1,500 kWh	0%

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 105-2

Superseding:

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
Total	\$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
Total	\$11.28 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
Total	\$15.28 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-04-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 105-3

Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 – PPFAC		

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
 Title: Vice President of Finance and Rates
 District: Entire Electric Service Area

Rate: R-04-70F
 Effective: Pending
 Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106

Superseding:

Residential Lifeline Discount (R-05-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase and three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated in this rate:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Summer (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
Winter (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0- 300 kWh	25%
301- 600 kWh	20%
601- 1,000 kWh	15%
Over 1,000 kWh	0%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-2

Superseding:

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
Total	\$6.90 per month	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
Total	\$9.40 per month	\$14.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 106-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
Total	\$13.40 per month	\$18.40 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge:

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 107
Superseding:

Residential Lifeline Discount (R-05-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.078800	\$0.053198	varies	\$0.131998
Off-Peak	\$0.030100	\$0.023198	varies	\$0.053298

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.065200	\$0.040698	varies	\$0.105898
Off-Peak	\$0.033000	\$0.020698	varies	\$0.053698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 107-1
Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 107-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
Total	\$8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
Total	\$11.36 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
Total	\$15.36 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 107-3

Superseding: _____

Energy Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.053198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 108

Superseding:

Residential Lifeline Discount (R-05-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments. The applicant must reside at the premise to qualify.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.139300	\$0.055698	<i>varies</i>	\$0.194998
Shoulder	\$0.074000	\$0.048198	<i>varies</i>	\$0.122198
Off-Peak	\$0.037900	\$0.023198	<i>varies</i>	\$0.061098

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 108-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0-300 kWh	25%
301-600 kWh	20%
601-1,000 kWh	15%
Over 1,000 kWh	0%

TIME-OF-USE TIME PERIODS

The **Summer On-Peak** period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The **summer Shoulder** period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak** periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 108-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
Total	\$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
Total	\$11.28 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
Total	\$15.28 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 108-3

Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109

Superseding:

Residential Lifeline Discount (R-05-201AF)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To single-phase (subject to availability at point of delivery) electric service in individual residences as described in current program details when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this rate requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Heating, Cooling and Comfort Guarantee program as in effect at the time of subscription to this rate. Notwithstanding the above, the customer's use of solar energy for any purpose shall not preclude subscription to this rate.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill \$ 6.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$ 9.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$13.40 per month

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Mid-Summer (June – August)	\$0.0611	\$0.033198	<i>varies</i>	\$0.094298
Remaining-summer (May & September)	\$0.0436	\$0.033198	<i>varies</i>	\$0.076798
Winter (October – April)	\$0.0413	\$0.027198	<i>varies</i>	\$0.068498

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109-1

Superseding:

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109-2

Superseding:

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
Total	\$6.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$2.50 per month
Total	\$9.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 109-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$6.50 per month
Total	\$13.40 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October – April)
Local Delivery-Energy	\$0.020600	\$0.003100	\$0.006800
Generation Capacity	\$0.025900	\$0.025900	\$0.019900
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge:

	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October – April)
Base Power Component	\$0.033198	\$0.033198	\$0.027198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-05-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 110
Superseding:

Residential Lifeline Discount (R-06-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Summer (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
Winter (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 110-1

Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT:

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 110-2
Superseding: _____

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
Total	\$6.90 per month	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
Total	\$9.40 per month	\$14.40 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
Total	\$13.40 per month	\$18.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 110-3

Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge:

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111

Superseding:

Residential Lifeline Discount (R-06-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.078800	\$0.053198	varies	\$0.131998
Off-Peak	\$0.030100	\$0.023198	varies	\$0.053298

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.065200	\$0.040698	varies	\$0.105898
Off-Peak	\$0.033000	\$0.020698	varies	\$0.053698

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111-1

Superseding:

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111-2

Superseding: _____

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
Total	\$8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
Total	\$11.36 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
Total	\$15.36 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 111-3

Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.053198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC	

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
 Title: Vice President of Finance and Rates
 District: Entire Electric Service Area

Rate: R-06-21F
 Effective: Pending
 Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 112
Superseding: _____

Residential Lifeline Discount (R-06-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single-phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. The TEP account must be in the customer's name applying for a lifeline discount.
2. Applicant must be a TEP residential customer residing at the premise.
3. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.139300	\$0.055698	<i>varies</i>	\$0.194998
Shoulder	\$0.074000	\$0.048198	<i>varies</i>	\$0.122198
Off-Peak	\$0.037900	\$0.023198	<i>varies</i>	\$0.061098

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 112-1
Superseding: _____

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The monthly bill shall be in accordance to the rate above except that a discount up to \$9.00 per month shall be applied to Delivery Services-Energy and Power Supply Charges. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 112-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
Total	\$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
Total	\$11.28 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
Total	\$15.28 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-06-70F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 112-3

Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
 Title: Vice President of Finance and Rates
 District: Entire Electric Service Area

Rate: R-06-70F
 Effective: Pending
 Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113
Superseding:

Residential Lifeline/Medical Life-Support Discount (R-08-01F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase and three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill	\$ 6.90 per month
Customer Charge, Three Phase service and minimum bill	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh	\$ 9.40 per month
Customer Charge, Three Phase with usage less than 2,000 kWh	\$14.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more	\$13.40 per month
Customer Charge, Three Phase with usage of 2,000 kWh or more	\$18.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113-1

Superseding:

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Summer (May – September)	\$0.061100	\$0.033198	varies	\$0.094298
Winter (October – April)	\$0.057000	\$0.025698	varies	\$0.082698

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113-2

Superseding:

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
Total	\$6.90 per month	\$11.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$2.50 per month	\$2.50 per month
Total	\$9.40 per month	\$14.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 113-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more		
Description	Single Phase	Three Phase
Meter Services	\$1.20 per month	\$2.07 per month
Meter Reading	\$0.81 per month	\$1.39 per month
Billing & Collection	\$3.48 per month	\$6.00 per month
Customer Delivery	\$1.41 per month	\$2.44 per month
LFCR	\$6.50 per month	\$6.50 per month
Total	\$13.40 per month	\$18.40 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.013800	\$0.011300
Generation Capacity	\$0.032700	\$0.031100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge:

	Summer (May – September)	Winter (October - April)
Base Power Component	\$0.033198	\$0.025698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-01F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114
Superseding:

Residential Lifeline/Medical Life-Support Discount (R-08-21F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery

RATE

A monthly net bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$ 8.86 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.36 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.36 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-1

Superseding:

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.078800	\$0.053198	<i>varies</i>	\$0.131998
Off-Peak	\$0.030100	\$0.023198	<i>varies</i>	\$0.053298

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.065200	\$0.040698	<i>varies</i>	\$0.105898
Off-Peak	\$0.033000	\$0.020698	<i>varies</i>	\$0.053698

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-2

Superseding:

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
Total	\$8.86 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$2.50 per month
Total	\$11.36 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.54 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.47 per month
Customer Delivery	\$1.82 per month
LFCR	\$6.50 per month
Total	\$15.36 per month

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.052900	\$0.004200
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Summer (May – September)	On-Peak	Off-Peak
Base Power Component	\$0.053198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 114-4

Superseding:

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.039300	\$0.007100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.0020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-21F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115

Superseding:

Residential Lifeline/Medical Life-Support Discount (R-08-70F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To all single phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly net bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$11.28 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$15.28 per month

Energy Charges (\$/kWh):

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.139300	\$0.055698	varies	\$0.194998
Shoulder	\$0.074000	\$0.048198	varies	\$0.122198
Off-Peak	\$0.037900	\$0.023198	varies	\$0.061098

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-1
Superseding: _____

Winter (October – April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC	
On-Peak	\$0.092500	\$0.040698	<i>varies</i>	\$0.133198
Off-Peak	\$0.024900	\$0.020698	<i>varies</i>	\$0.045598

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m. Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-2

Superseding: _____

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
Total	\$8.78 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$2.50 per month
Total	\$11.28 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-3

Superseding:

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.52 per month
Meter Reading	\$1.03 per month
Billing & Collection	\$4.43 per month
Customer Delivery	\$1.80 per month
LFCR	\$6.50 per month
Total	\$15.28 per month

Energy Charge Components of Delivery Services (Unbundled):

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Local Delivery-Energy	\$0.011300	\$0.011300	\$0.011300
Generation Capacity	\$0.113400	\$0.048100	\$0.012000
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge

Summer (May – September)	On-Peak	Shoulder-Peak	Off-Peak
Base Power Component	\$0.055698	\$0.048198	\$0.023198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 115-4

Superseding: _____

Energy Charge Components of Delivery Services (Unbundled):

Winter (October – April)	On-Peak	Off-Peak
Local Delivery-Energy	\$0.010200	\$0.010200
Generation Capacity	\$0.067700	\$0.000100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charge

Winter (October – April)	On-Peak	Off-Peak
Base Power Component	\$0.040698	\$0.020698
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-70F
Effective: Pending
DecisionNo.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 116

Superseding:

Residential Lifeline/Medical Life-Support Discount (R-08-201AF)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences as described in current program details when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this rate requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Heating, Cooling and Comfort Guarantee program as in effect at the time of subscription to this rate. The customer's use of solar energy for any purpose shall not preclude subscription to this rate. The discount is also available to tenants of master metered mobile home parks and apartments.

Not applicable to resale, breakdown, temporary, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

ELIGIBILITY

1. Applicant must have a combined household income at or below 150% of the federal poverty level. See Income Guidelines Chart on TEP's website at www.tep.com or contact a TEP customer care representative.
2. The applicant must provide documentation to the company that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household; or a full-time resident of the household is a paraplegic, quadriplegic or hemiplegic, or a multiple sclerosis or scleroderma patient.
3. A Physician's Verification Form must be completed by the doctor documenting the patient's critical need for electrically powered appliances and describing the needed devices.

CHARACTER OF SERVICE

The service shall be single-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE-SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge of Delivery Services:

Standard

Customer Charge, Single Phase service and minimum bill \$ 6.90 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$ 9.40 per month

Customer Charge, Single Phase with usage of 2,000 kWh or more \$13.40 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 116-1

Superseding:

Energy Charges (\$/kWh)

	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
Mid-Summer (June-August)	\$0.061100	\$0.033198	<i>varies</i>	\$0.094298
Remaining-summer (May & September)	\$0.043600	\$0.033198	<i>varies</i>	\$0.076798
Winter (October – April)	\$0.041300	\$0.027198	<i>varies</i>	\$0.068498

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

MONTHLY DISCOUNT

The following monthly discount applies to the rate incorporated herein:

For Bills with Usage of:	Monthly Discount will be applied to the total bill excluding the Customer Charge:
0 – 1000 kWh	35%
1001 – 2000 kWh	30%
Over 2000 kWh	10%

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 116-2

Superseding:

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
Total	\$6.90 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 116-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$6.50 per month
Total	\$13.40 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.20 per month
Meter Reading	\$0.81 per month
Billing & Collection	\$3.48 per month
Customer Delivery	\$1.41 per month
LFCR	\$2.50 per month
Total	\$9.40 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October – April)
Local Delivery-Energy	\$0.020600	\$0.003100	\$0.006800
Generation Capacity	\$0.025900	\$0.025900	\$0.019900
Fixed Must-Run	\$0.003000	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:			
System Control & Dispatch	\$0.000100	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT			

Power Supply Charge:

	Mid Summer (June -August)	Remaining Summer (May & September)	Winter (October – April)
Base Power Component	\$0.033198	\$0.033198	\$0.027198
PPFAC	In accordance with Rider 1 - PPFAC		

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-08-201AF
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 117

Superseding:

Special Residential Electric Service (R-201AN)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Rate requires that the Customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below. New homes must conform to the standards of the Company's approved efficiency program for new construction as in effect at the time of subscription to this Rate. Existing homes must conform to certain standards of the Company's approved efficiency program for existing homes as in effect at the time of subscription to this Rate. Company accredited testing and inspection is required for verification. Notwithstanding the above, the Customer's use of solar energy for any purpose shall not preclude subscription to this Rate.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$10.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$12.50 per month

Customer Charge, Single Phase with usage more of 2,000 or more kWh \$16.50 per month

Energy Charges:

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 – 500 kWh	\$0.050600	\$0.035111	<i>varies</i>	\$0.085711
501 – 1,000 kWh	\$0.060500	\$0.035111	<i>varies</i>	\$0.095611
1,001 – 3,500 kWh	\$0.071800	\$0.035111	<i>varies</i>	\$0.106911
Over 3,500 kWh	\$0.079400	\$0.035111	<i>varies</i>	\$0.114511

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201AN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 117-1

Superseding: _____

Winter (October - April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
0 – 500 kWh	\$0.050600	\$0.031532	<i>varies</i>	\$0.082132
501 – 1,000 kWh	\$0.058700	\$0.031532	<i>varies</i>	\$0.090232
1,001 – 3,500 kWh	\$0.070300	\$0.031532	<i>varies</i>	\$0.101832
Over 3,000 kWh	\$0.078400	\$0.031532	<i>varies</i>	\$0.109932

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

MONTHLY LIFELINE DISCOUNT:

This discount is only available to new and eligible Lifeline Customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201AN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 117-2

Superseding: _____

AUTOMATED METER OPT-OUT

Residential rate class Customers may request, and have installed, meters that do not transmit data wirelessly. A one-time automated meter opt-out change-out fee, as specified in TEP's Statement of Charges, will apply for the installation of each analog meter that replaces a meter currently in service at the customer's premises that transmits data wirelessly. For a Customer choosing the Automated Meter Opt-out, an additional monthly customer charge as specified in the TEP Statement of Charges will be added to the applicable Customer Charge for as long as the analog meter is left in service.

The Customer may choose to self-read the analog meter. The terms and conditions for self reading of the meter shall be in accordance with Section 10 of the TEP Rules and Regulations.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
Total	\$10.00 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
LFCR	\$2.50 per month
Total	\$12.50 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201AN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 117-3

Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$1.74 per month
Meter Reading	\$1.17 per month
Billing & Collection	\$5.04 per month
Customer Delivery	\$2.05 per month
LFCR	\$6.50 per month
Total	\$16.50 per month

Energy Charge Components of Delivery Services (Unbundled):

Component	Summer (May - September)	Winter (October - April)
Local Delivery-Energy		
Sum First 500 kWh	\$0.003400	\$0.004100
Sum 501-1,000 kWh	\$0.013300	\$0.012200
Sum 1,001-3,500 kWh	\$0.024600	\$0.023800
Sum>3,500 kWh	\$0.032200	\$0.031900
Generation Capacity	\$0.032600	\$0.031900
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		

Power Supply Charges:

Base Power Component	Summer (May - September)	Winter (October - April)
0 - 500 kWh	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201AN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 118

Superseding: _____

Special Residential Electric Service Time-of-Use Program (R-201BN)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To single phase (subject to availability at point of delivery) electric service in individual residences when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Rate requires that the Customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below. New homes must conform to the standards of the Company's approved efficiency program for new construction as in effect at the time of subscription to this Rate. Existing homes must conform to certain standards of the Company's approved efficiency program for existing homes as in effect at the time of subscription to this Rate. Company accredited testing and inspection is required for verification. Notwithstanding the above, the customer's use of solar energy for any purpose shall not preclude subscription to this Rate.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Customers must stay on this rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single phase, 60 Hertz, and at one nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Standard

Customer Charge, Single Phase service and minimum bill \$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option

Customer Charge, Single Phase with usage less than 2,000 kWh \$14.00 per month

Customer Charge, Single Phase with usage more than 2,000 kWh \$18.00 per month

Energy Charges:

Summer (May – September)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-peak	\$0.056800	\$0.050669	varies	\$0.107469
Off-peak	\$0.044000	\$0.026679	varies	\$0.070679

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201BN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 118-1

Superseding:

Winter (October - April)	Delivery Services-Energy ¹	Power Supply Charges ²		Total ³
		Base Power	PPFAC ²	
On-peak	\$0.048300	\$0.032893	varies	\$0.081193
Off-peak	\$0.035500	\$0.027092	varies	\$0.062592

1. Delivery Services-Energy is a bundled charge that includes: Local Delivery-Energy (Local Delivery and/or Distribution exclusive of Transmission/Ancillaries), Generation Capacity, Fixed Must-Run, Transmission and Ancillary Services.
2. The Power Supply Charge is the sum of the Base Power Charge and the Purchased Power and Fuel Adjustment Clause (PPFAC), a per kWh adjustment in accordance with Rider-1-PPFAC. PPFAC reflects increases or decreases in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.
3. Total is calculated above for illustrative purposes (PPFAC varies over time pursuant to Rider-1 PPFAC).

TIME-OF-USE TIME PERIODS

The **Summer On-Peak period** is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The **Winter On-Peak periods** are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ELECTRIC VEHICLES

Customers who own and operate Electric Vehicles will receive a 5% discount to the Base Fuel during the off-peak period and the PPFAC. Customers must provide documentation for highway approved Electric Vehicles.

LOST FIXED COST RECOVERY (LFCR) – RIDER 8

For those Customers who choose not to participate in the percentage based recovery of lost revenues associated with energy efficiency and distributed generation, a higher monthly Customer Charge will apply and the percentage based LFCR will not be included on the bill. All other Customers will pay the Standard monthly Customer Charge and the percentage based LFCR. Customers can choose the fixed charge option one (1) time per calendar year. Once the Customer chooses to contribute to the LFCR through a fixed charge they must pay the higher monthly Customer Charge for a complete twelve (12) month period. During the first twelve (12) months subsequent to the effective date of the LFCR, the Customer may choose to change back to the percentage based option without being on the fixed option for a full twelve (12) months. After one full year of the LFCR in effect, a Customer must remain on an option for a full twelve (12) months.

MONTHLY LIFELINE DISCOUNT

This discount is only available to new and eligible Lifeline customers whose monthly bill shall be in accordance to the rate above except that a discount of \$9.00 per month shall be applied. No Lifeline discount will be applied that will reduce the volumetric charges to less than zero.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201BN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 118-2

Superseding: _____

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Standard	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
Total	\$11.50 per month

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage less than 2,000 kWh	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$2.50 per month
Total	\$14.00 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201BN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 118-3
Superseding: _____

Lost Fixed Cost Recovery (LFCR) Fixed Charge Option - usage of 2,000 kWh or more	
Description	Single Phase
Meter Services	\$2.00 per month
Meter Reading	\$1.34 per month
Billing & Collection	\$5.80 per month
Customer Delivery	\$2.36 per month
LFCR	\$6.50 per month
Total	\$18.00 per month

Energy Charge Components (Unbundled)

Summer (May - September)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.030900	\$0.018100
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.050669	\$0.026679
PPFAC	In accordance with Rider 1 - PPFAC	

Winter (October - April)	On-Peak	Off-Peak
Delivery-Energy	\$0.011300	\$0.011300
Generation Capacity	\$0.022400	\$0.009600
Fixed Must-Run	\$0.003000	\$0.003000
Transmission	\$0.009000	\$0.009000
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000500	\$0.000500
Regulation and Frequency Response	\$0.000500	\$0.000500
Spinning Reserve Service	\$0.001300	\$0.001300
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.032893	\$0.027092
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-201BN
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 201

Superseding:

Small General Service (GS-10)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises. To all general power and lighting service unless otherwise addressed by specific Rates.

APPLICABILITY

When all energy is supplied at one point of delivery and through one metered service. Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

The supply of electric service under a residential Rate schedule to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service rate will be applied.

For Customers who were previously on Municipal Service Rate (PS-40), a monthly transitional adjustment of 16.5% will be applied to the total bill excluding the Customer Charge.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate, plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Customer Charge, Single Phase service and minimum bill	\$15.50 per month
Customer Charge, Three Phase service and minimum bill	\$20.50 per month

Energy Charges: All energy charges below are charged per kWh basis.

Delivery Charges:

Description	Summer (May – September)	Winter (October – April)
First 500 kWh	\$0.076800	\$0.056800
All remaining kWh	\$0.097600	\$0.078800

Base Power Supply Charges:

Summer	\$0.035111 per kWh
Winter	\$0.031532 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 201-1

Superseding: _____

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Description	Single Phase	Three Phase
Meter Services	\$5.78 per month	\$7.65 per month
Meter Reading	\$0.74 per month	\$0.98 per month
Billing & Collection	\$3.19 per month	\$4.21 per month
Customer Delivery	\$5.79 per month	\$7.66 per month
Total	\$15.50 per month	\$20.50 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 201-2

Superseding: _____

Energy Charge Components (Unbundled):

Component	Summer (May - September)	Winter (October - April)
Delivery-Energy		
First 500 kWh	\$0.021700	\$0.021700
All remaining kWh	\$0.022600	\$0.022600
Generation Capacity		
First 500 kWh	\$0.042700	\$0.022700
All remaining kWh	\$0.062600	\$0.043800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 202

Superseding:

Mobile Home Park Electric Service (GS-11F)

AVAILABILITY

New Customers, including current Customers who move, are not eligible for service under this Rate.

APPLICABILITY

To mobile home parks for service through a master meter to two or more mobile homes, provided each mobile home served through such master meter will be individually metered and billed by the park operator in accordance with applicable Orders of the Arizona Corporation Commission. Electric service to the park's facilities used by its residents may be supplied under this schedule only if such facilities are served through a master meter which serves two or more mobile homes.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate, plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charges:

Customer Charge, Single Phase service and minimum bill	\$15.50 per month
Customer Charge, Three Phase service and minimum bill	\$20.50 per month

Energy Charges:

Delivery Charge	
Summer (May – September), all kWh	\$0.082000 per kWh
Winter (October – April), all kWh	\$0.062000 per kWh

Base Power Charges:

Delivery Charge	\$0.035111 per kWh
Summer (May – September), all kWh	\$0.031532 per kWh
Winter (October – April), all kWh	

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-11F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 202-1

Superseding:

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Description	Single Phase	Three Phase
Meter Services	\$5.78 per month	\$7.65 per month
Meter Reading	\$0.74 per month	\$0.98 per month
Billing & Collection	\$3.19 per month	\$4.21 per month
Customer Delivery	\$5.79 per month	\$7.66 per month
Total	\$15.50 per month	\$20.50 per month

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-11F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 202-2

Superseding:

Energy Charge Components (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.021700
Generation Capacity	\$0.047900	\$0.027900
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-11F
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203
Superseding: _____

Small General Service Time-of-Use Program (GS-76)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Access to the meter during normal working hours is also a prerequisite for this Rate.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific Rate schedules, when all energy is supplied at one point of delivery and through one metered service.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service. Service under this Rate will commence when the appropriate meter has been installed.

Customers must stay on this Rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:

Customer Charge, single or three phase service and minimum bill \$17.50 per month

Energy Charges:

Description	Summer (May – September)	Winter (October - April)
On-Peak kWh	\$0.098700	\$0.081000
Off-Peak kWh	\$0.084500	\$0.064500

Base Power Supply Charges:

Summer On-Peak	\$0.050669 per kWh
Summer Off-Peak	\$0.026679 per kWh
Winter On-Peak	\$0.032893 per kWh
Winter Off-Peak	\$0.027092 per kWh

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-76
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203-1

Superseding: _____

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

PRIMARY SERVICE

The Rates contained in this Schedule are designed to reflect secondary service but where service is taken at primary voltage will be subject to a primary discount of 20.6 cents per kW per month (on the bundled rate, with the discount taken from the unbundled kW delivery charge) on the billing demand each month.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-76
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203-2

Superseding: _____

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$6.53 per month
Meter Reading	\$0.83 per month
Billing & Collection	\$3.60 per month
Customer Delivery	\$6.54 per month
Total	\$17.50 per month

Energy Charge Components (Unbundled)

Summer (May - September)	On-Peak	Off-Peak
Local Delivery-Energy ¹	\$0.022300	\$0.022300
Generation Capacity	\$0.064000	\$0.049800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT.		
Base Power Supply Charge	\$0.050669	\$0.026679
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-76
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 203-3

Superseding: _____

Energy Charge Components (Unbundled)

Winter (October - April)	On-Peak	Off-Peak
Delivery-Energy	\$0.022300	\$0.022300
Generation Capacity	\$0.046300	\$0.029800
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.032893	\$0.027092
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-76
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 204

Superseding: _____

Large General Service (LGS-13)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 200 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge:	\$775.00 per month
Demand Charge:	\$15.25 per kW
Energy Charges:	
Summer (May – September)	\$0.019200 per kWh
Winter (October – April)	\$0.013400 per kWh
Base Power Charges:	
Summer (May – September)	\$0.035111 per kWh
Winter (October – April)	\$0.031532 per kWh

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75 % of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW.

ADJUSTMENT FOR PRIMARY SERVICE AND METERING

When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.

The Company may require a written contract with a minimum contract demand and a minimum term of contract.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-13
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 204-1

Superseding:

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charges:

Meter Services	\$211.38 per month
Meter Reading	\$ 32.43 per month
Billing & Collection	\$140.81 per month
Customer Delivery	<u>\$390.38 per month</u>
Total	\$775.00 per month

Demand Charge (in \$/kW):

Delivery Charge	\$1.71 per kW
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Generation Capacity	\$9.17 per kW
Fixed Must-Run	\$0.95 per kW

Transmission	\$2.67 per kW
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Transmission Ancillary Services	
System Control & Dispatch	\$0.04 per kW
Reactive Supply and Voltage Control	\$0.14 per kW
Regulation and Frequency Response	\$0.14 per kW
Spinning Reserve Service	\$0.37 per kW

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-13
Effective: Pending
Decision No.:



Tucson Electric Power Company

Original Sheet No.: 204-2

Superseding:

Tucson Electric Power

Supplemental Reserve Service \$0.06 per kW
Energy Imbalance Service: Currently charged pursuant to the Company's OATT

Energy Charges (kWh): (in \$/kWh)

Delivery Charge

Summer \$0.005800 per kWh
Winter \$0.004000 per kWh

Generation Capacity

Summer \$0.013400 per kWh
Winter \$0.009400 per kWh

Base Power Supply Charge

Summer \$0.035111 per kWh
Winter \$0.031532 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-13
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 205

Superseding: _____

Large General Service Time-of-Use Program (LGS-85)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises. To all general power and lighting service unless otherwise addressed by specific rate schedules.

APPLICABILITY

When all energy is supplied at one point of delivery and through one metered service. Not applicable to resale, breakdown, temporary, standby, or auxiliary service. Service under this Rate will commence when the appropriate meter has been installed.

The minimum monthly billing demand hereunder is 200 kW.

Customers must stay on this Rate for a minimum period of one (1) year.

CHARACTER OF SERVICE

The service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE - SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge and minimum bill \$950.00 per month

Demand Charges (includes Generation Capacity):

Summer On-peak \$14.55 per kW

Summer Off-peak (applies to all off-peak demand bill determinates) \$10.92 per kW

Winter On-peak \$11.59 per kW

Winter Off-peak Demand (applies to all off-peak demand bill determinates) \$ 9.10 per kW

Note:

1. For demand billing, "on-peak demand" shall be based on demand measured during peak periods.
2. For demand billing, "off-peak demand" shall be based on demand measured during the off-peak periods.
3. Unlike Schedule LLP Rate 90 the demand charges above are NOT excess demand charges; they apply to all Off-Peak kW, not just Off-Peak kW in excess of 150% of Peak kW.

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charges (\$/kWh)

	Summer (May – September)	Winter (October - April)
On-Peak	\$0.008600	\$0.003000
Off-Peak	\$0.006000	\$0.000500

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-85
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 205-1

Superseding: _____

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Base Power Supply Charges (\$/kWh)

	Summer (May – September)	Winter (October – April)
On-Peak	\$0.050669	\$0.032893
Off-Peak	\$0.026679	\$0.027092

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the combination of the following;

The greatest of the following during the On-Peak period:

1. The maximum 15 minute measured demand during the on-peak period of the billing month;
2. 75% of the maximum on-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW, and

The greatest of the following during the Off-peak period:

1. The maximum 15 minute measured demand during the off-peak period of the billing month;
2. 75% of the maximum off-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 200 kW.

PRIMARY SERVICE

The Rates contained in this Schedule are designed to reflect secondary service but where service is taken at a primary voltage discount of 20.6 cents per kW per month (on the bundled rate, with the discount taken from the unbundled kW delivery charge) will be applied to the billing demand each month.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-85
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 205-2

Superseding: _____

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charges:

Meter Services	\$259.11 per month
Meter Reading	\$ 39.75 per month
Billing & Collection	\$172.61 per month
Customer Delivery	<u>\$478.53</u> per month
	\$950.00 per month

Demand Charges (\$/kW)

Generation Capacity Charges (in \$/kW)

Summer On-peak	\$10.18 per kW
Summer Off-peak	\$ 6.55 per kW
Winter On-peak	\$ 7.22 per kW
Winter Off-peak	\$ 4.73 per kW

Fixed Must-Run Charges (in \$/kW)

\$ 0.95 per kW

Transmission (in \$/kW)

\$ 2.67 per kW

Transmission - Ancillary Services System Control & Dispatch (in \$/kW)

System Control & Dispatch	\$ 0.04 per kW
Reactive Supply and Voltage Control	\$ 0.14 per kW
Regulation and Frequency Response	\$ 0.14 per kW
Spinning Reserve Service	\$ 0.37 per kW
Supplemental Reserve Service	\$ 0.06 per kW

Energy Imbalance Service: Currently charged pursuant to the Company's OATT

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-85
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 205-3

Superseding: _____

Energy Charges (\$/kWh):

Delivery Charges

Summer On-peak	\$0.002600 per kWh
Summer Off-peak	\$0.001800 per kWh
Winter On-peak	\$0.000900 per kWh
Winter Off-peak	\$0.000150 per kWh

Generation Capacity

Summer On-peak	\$0.006000 per kWh
Summer Off-peak	\$0.004200 per kWh
Winter On-peak	\$0.002100 per kWh
Winter Off-peak	\$0.000350 per kWh

Base Power Supply Charge

Summer On-peak	\$0.050669 per kWh
Summer Off-peak	\$0.026679 per kWh
Winter On-peak	\$0.032893 per kWh
Winter Off-peak	\$0.027092 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LGS-85
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 301

Superseding:

Large Light and Power Service (LLP-14)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all large general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 3,000 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, Primary Service, and shall be supplied directly from any 46,000 volt, or higher voltage, system at a delivery voltage of not less than 13,800 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$1,800 per month

Demand Charge: \$21.98 per kW

Energy Charges:

Summer (May – September) \$0.003200 per kWh

Winter (October – April) \$0.002100 per kWh

Base Power Charges:

Summer (May – September) \$0.031611 per kWh

Winter (October - April) \$0.028388 per kWh

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

BILLING DEMAND

The monthly billing demand shall be the greatest of the following:

1. The maximum 15 minute measured demand in the billing month;
2. 75 % of the maximum demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 3,000 kW.

PRIMARY SERVICE

The above Rate is subject to Primary Service and Metering. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The energy and demand shall be metered on primary side of the transformer.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-14
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 301-1
Superseding: _____

POWER FACTOR ADJUSTMENT

The above rate is subject to a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is below 100%

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charges:

Meter Services	\$ 449.66 per month
Meter Reading	\$ 74.29 per month
Billing & Collection	\$ 323.56 per month
Customer Delivery	\$ 952.49 per month
Total	\$1,800.00 per month

Demand Charges:

Delivery Charge (in \$/kW)	\$ 1.69 per kW
Generation Capacity Charges (in \$/kW)	\$14.40 per kW
Fixed Must-Run Charges (in \$/kW)	\$ 0.97 per kW
Transmission (in\$/kW)	\$ 3.84 per kW
Transmission Ancillary Services (in \$/kW)	
System Control & Dispatch	\$ 0.05 per kW
Reactive Supply and Voltage Control	\$ 0.20 per kW

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-14
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 301-2

Superseding:

Regulation and Frequency Response	\$ 0.20 per kW
Spinning Reserve Service	\$ 0.54 per kW
Supplemental Reserve Service	\$ 0.09 per kW
Energy Imbalance Service: Currently charged pursuant to the Company's OATT	

Energy Charges: (in \$/kWh)

Delivery Charges

Summer	\$0.003200 per kWh
Winter	\$0.002100 per kWh

Base Power Supply Charges

Summer	\$0.031611 per kWh
Winter	\$0.028388 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-14
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 302

Superseding: _____

Large Light and Power Service Time of Use Program (LLP-90)

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all large general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. The minimum monthly billing demand hereunder is 3000 kW.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, Primary Service, and shall be supplied directly from any 46,000 volt, or higher voltage, system at a delivery voltage of not less than 13,800 volts and delivered at a single point of delivery unless otherwise specified in the contract.

Customers must stay on this Rate for a minimum period of one (1) year.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein:

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge and minimum bill \$2,000.00 per month

Demand Charges (includes Generation Capacity):

Summer On-peak	\$20.49 per kW
Summer Off-peak Excess Demand	\$12.49 per kW
Winter On-peak	\$15.49 per kW
Winter Off-peak Excess Demand	\$9.99 per kW

Note:

1. For demand billing, "on-peak demand" shall be based on demand measured during peak periods.
2. For demand billing, "off-peak demand" shall be based on demand measured during the off- peak periods.

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charges (\$/kWh):

	Summer (May – September)	Winter (October – April)
On-Peak	\$0.006900	\$0.007500
Off-Peak	\$0.006500	\$0.007100

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-90
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 302-1

Superseding: _____

TIME-OF-USE TIME PERIODS

The Summer On-Peak period is 2:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day).

The Winter On-Peak periods are 6:00 a.m. - 10:00 a.m. and 5:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day).

All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Base Power Supply Charges (\$/kWh)

	Summer (May – September)	Winter (October – April)
On-Peak	\$0.045568	\$0.029581
Off-Peak	\$0.023985	\$0.024352

Purchased Power and Fuel Adjustment Clause (PPFAC): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DETERMINATION OF BILLING DEMAND

The greatest of the following:

1. The maximum 15 minute measured demand during the on-peak period of the billing month;
2. 75% of the maximum on-peak period billing demand used for billing purposes in the preceding 11 months; or
3. The contract demand amount, not to be less than 3,000 kW, and

Additionally, the maximum 15 minute measured demand during the off-peak period of the billing month that is in excess (i.e. positive incremental amount above) of 150% of that billing month's on-peak measured billing demand.

PRIMARY SERVICE

The above rate is subject to Primary Service and Metering. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The energy and demand shall be metered on primary side of transformers.

POWER FACTOR ADJUSTMENT

The above rate is subject to charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is below 100%.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-90
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 302-2
Superseding: _____

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charges:

Meter Services	\$499.63 per month
Meter Reading	\$82.53 per month
Billing & Collection	\$359.51 per month
Customer Delivery	<u>\$1,058.33</u> per month
	\$2,000.00 per month

Demand Charges (\$/kW)

Delivery Charges	
Summer & Winter On-peak	\$1.69 per kW
Summer & Winter Excess Demand	\$1.61 per kW

Generation Capacity Charges (in \$/kW)

Summer On-peak	\$12.91 per kW
Summer Excess Demand	\$ 6.27 per kW
Winter On-peak	\$ 7.91 per kW
Winter Excess Demand	\$ 3.77 per kW

Fixed Must Run Charges (in \$/kW)

Summer & Winter On-peak	\$ 0.97 per kW
Summer & Winter Off-peak Excess Demand	\$ 0.92 per kW

Transmission (in \$/kW)

Summer & Winter On-peak	\$ 3.84 per kW
Summer & Winter Excess Demand (kW)	\$ 2.88 per kW

Transmission - Ancillary System Control

Summer & Winter On-peak	\$ 0.05 per kW
Summer & Winter Excess Demand (kW)	\$ 0.04 per kW

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-90
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 302-3

Superseding: _____

Transmission – Ancillary Reactive Supply	
Summer & Winter On-peak	\$ 0.20 per kW
Summer & Winter Excess Demand (kW)	\$ 0.15 per kW
Transmission - Ancillary Frequency Response	
Summer & Winter On-peak	\$ 0.20 per kW
Summer & Winter Excess Demand (kW)	\$ 0.15 per kW
Transmission - Ancillary Spinning Reserve	
Summer & Winter On-peak	\$ 0.54 per kW
Summer & Winter Excess Demand (kW)	\$ 0.40 per kW
Transmission - Ancillary Supplemental Reserve	
Summer & Winter On-peak	\$ 0.09 per kW
Summer & Winter Excess Demand (kW)	\$ 0.07 per kW
Energy Imbalance Service: Currently charged pursuant to the Company's OATT	

Energy Charges (\$/kWh)

Delivery Charges (in \$/kWh)	
Summer On-peak	\$0.006900 per kWh
Summer Off-peak Excess Demand	\$0.006500 per kWh
Winter On-peak	\$0.007500 per kWh
Winter Off-peak Excess Demand	\$0.007100 per kWh

Base Power Supply Charges

Summer	
On-Peak	\$0.045568 per kWh
Off-Peak	\$0.023985 per kWh
Winter	
On-Peak	\$0.029581 per kWh
Off-Peak	\$0.024352 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: LLP-90
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 501

Superseding:

Traffic Signal and Street Lighting Service (PS-41)

AVAILABILITY

Available for service to the State, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities for Traffic Signal and Street Lighting purposes where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to Customer owned and maintained traffic signals and public street and highway lighting.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Service shall be single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charge	\$0.047600 per kWh
Base Power Charges:	
Summer (May – September)	\$0.035111 per kWh
Winter (October – April)	\$0.031532 per kWh

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this rate will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-41
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 501-1

Superseding: _____

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charge (in \$/kWh)	
Summer	\$0.003400 per kWh
Winter	\$0.003400 per kWh
Generation Capacity (in \$/kWh)	
Summer	\$0.010200 per kWh
Winter	\$0.010200 per kWh
Fixed Must-Run (in \$/kWh)	\$0.014300 per kWh
Transmission (in \$/kWh)	\$0.015300 per kWh
Transmission Ancillary Services (in \$/kWh)	
System Control & Dispatch	\$0.000200 per kWh
Reactive Supply and Voltage Control	\$0.000800 per kWh
Regulation and Frequency Response	\$0.000800 per kWh
Spinning Reserve Service	\$0.002200 per kWh
Supplemental Reserve Service	\$0.000400 per kWh
Energy Imbalance Service: Currently charged pursuant to the Company's OATT.	
Base Power Supply Charge	
Summer	\$0.035111 per kWh
Winter	\$0.031532 per kWh

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-41
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 502

Superseding:

Lighting Service (PS-50)

AVAILABILITY

At any point where the Company in its judgment has facilities of adequate capacity and suitable voltage available.

APPLICABILITY

Applicable to any Customer for private and public street lighting or outdoor area lighting where this service can be supplied from existing facilities of the Company.

The Company will install, own, operate, and maintain the complete lighting installation including lamp and globe replacements. Not applicable to resale service.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Delivery Charge:

Service	55OH, 55P, 55UG	70UG	100 Watt	250 Watt	400 Watt	Underground Service	Pole
Per unit Per month	\$8.19	\$8.19	\$8.19	\$12.29	\$18.70	\$15.53	\$2.86

Note:

The watt high pressure sodium lamps are charged per unit per month.

Per one pole addition and an extension of up to 100 feet of overhead service are charged per pole.

Underground Service is per 100 watt or less high pressure sodium lamp unit per month mounted on standard pole.

Base Power Supply Charge:

Service	55OH, 55P, 55UG	70UG	100 Watt	250 Watt	400 Watt	Underground Service	Pole
Per unit Per month	\$0.85	\$0.94	\$1.34	\$3.36	\$5.38	\$0.00	\$0.00

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 502-1
Superseding: _____

STANDARD LAMP UNITS, OVERHEAD SERVICE

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a six (6) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately twenty-five (25) feet above ground level and is for public and private street lighting and area lighting.
2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on a twelve (12) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately twenty-seven (27) feet above ground level and is for public and private street lighting.
3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen (18) foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately thirty-five (35) feet above ground level and is for public and private street lighting.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately fifteen (15) feet above ground level and is for public and private street lighting and area lighting.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth herein will be applied to the Customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. For underground service up to ten (10) feet from the electrical source, the Customer shall be billed at the rates for overhead service.
3. Extensions beyond 100 feet and all installations other than those addressed in this rate will require specific agreements providing adequate revenue or arrangements for construction financing.
4. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
5. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
6. The Customer is expected to notify the Company when lamp outages occur.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 502-2
Superseding: _____

7. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
8. After the minimum contract period, if any, has expired, this agreement shall be extended from year to year unless written notice of desire to terminate is given by the Customer at least thirty (30) days prior to the end of any such annual extension date. The Company reserves the right not to extend or cancel the lighting agreement at any time after the initial minimum contract period has expired.
9. Light installation is subject to the governmental agency approval process.
10. The Customer is responsible for all civil installation requirements as specified by the Company in accordance with the Electrical Service Requirements.
11. In the event a public improvement project conflict(s) with existing lighting facilities, the impacted facilities will be removed.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a Customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 502-3

Superseding: _____

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Delivery Components:

50, 70, 100 Watt (\$/Unit)	\$ 0.71 Per Unit
250 Watt (\$/Unit)	\$ 4.81 Per Unit
400 Watt (\$/Unit)	\$ 11.22 Per Unit

Generation Capacity (\$/Unit) \$ 1.50 Per Unit

Fixed Must Run (\$/Unit) \$ 2.84 Per Unit

Transmission (in \$/kWh) \$ 2.45 Per Unit

Transmission Ancillary Services (kn \$/kWh)

System Control & Dispatch	\$ 0.0300 Per Unit
Reactive Supply and Voltage Control	\$ 0.1300 Per Unit
Regulation and Frequency Response	\$ 0.1300 Per Unit
Spinning Reserve Service	\$ 0.3400 Per Unit
Supplemental Reserve Service	\$ 0.0600 Per Unit
Energy Imbalance Service: currently charged pursuant to the Company's OATT	

Base Power Supply Charge

Service	55OH, 55P, 55UG	70UG	100 Watt	250 Watt	400 Watt
Per unit Per month	\$0.85	\$0.94	\$1.34	\$3.36	\$5.38

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: PS-50
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 601

Superseding:

Water Pumping Service (GS-43)

AVAILABILITY

Available for service to the City of Tucson Water Utility and private water Companies where the facilities of the Company are of adequate capacity and are adjacent to the premises.

Available for interruptible service agricultural pumping customers throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

The service points being billed under the PS-43 and GS-31 rate classes as of the effective date of this tariff, but do not meet the above criteria, will be allowed to stay on this rate as long as they meet all other requirements specified in the tariff.

APPLICABILITY

Applicable for service to booster stations and wells used for domestic water supply. For Interruptible service this is applicable to separately metered interruptible agricultural water pumping service for irrigation purposes of the Customer only.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service.

CHARACTER OF SERVICE

Single and three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company. Primary metering may be used by mutual agreement.

RATE

A monthly bill at the following rate plus any adjustments incorporated herein.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Customer Charge: \$15.50 per month

Energy Charges:

Firm Service

Delivery Charge

Summer (May – September) \$0.068000 per kWh

Winter (October – April) \$0.048000 per kWh

Interruptible Service

Delivery Charge

Summer (May – September) \$0.042000 per kWh

Winter (October – April) \$0.027000 per kWh

Base Power Supply Charges:

	Summer (May-September)	Winter (October – April)
Firm Service	\$0.035111	\$0.031532
Interruptible Service	\$0.031310	\$0.028420

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-43
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 601-1

Superseding: _____

Primary Voltage Discount

A discount of 5% will be allowed from the above rates where Customer owns the transformers and service is metered at primary voltage.

DIRECT ACCESS

A Customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the Customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AZISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AZISA in Arizona.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TERMS AND CONDITIONS OF INTERRUPTIBLE SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give Customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. The interruptible load shall be separately served and metered and shall at no time be connected to facilities serving Customer's firm load. Conversely, the firm load shall be separately served and metered and shall at no time be connected to facilities serving Customer's interruptible load.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this rate.

ADDITIONAL NOTES

Additional charges may be directly assigned to a Customer based on the type of facilities (e.g., metering) dedicated to the Customer or pursuant to the Customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-43
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 601-2

Superseding: _____

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Firm Service

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$5.78 per month
Meter Reading	\$0.74 per month
Billing & Collection	\$3.19 per month
Customer Delivery	\$5.79 per month
Total	\$15.50 per month

Energy Charge Components (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.021700
Generation Capacity	\$0.033900	\$0.013900
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.0004
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.035111	\$0.031532
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-43
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 601-3

Superseding: _____

Interruptible Service

Customer Charge Components (Unbundled):

Description	Customer Charge
Meter Services	\$5.78 per month
Meter Reading	\$0.74 per month
Billing & Collection	\$3.19 per month
Customer Delivery	\$5.79 per month
Total	\$15.50 per month

Energy Charge Components (Unbundled):

Component	Summer (May – September)	Winter (October - April)
Local Delivery-Energy	\$0.021700	\$0.007900
Generation Capacity	\$0.007900	\$0.006700
Fixed Must-Run	\$0.003500	\$0.003500
Transmission	\$0.006800	\$0.006800
Transmission Ancillary Services consists of the following charges:		
System Control & Dispatch	\$0.000100	\$0.000100
Reactive Supply and Voltage Control	\$0.000400	\$0.000400
Regulation and Frequency Response	\$0.000400	\$0.000400
Spinning Reserve Service	\$0.001000	\$0.001000
Supplemental Reserve Service	\$0.000200	\$0.000200
Energy Imbalance Service: Currently charged pursuant to the Company's OATT		
Base Power Supply Charge	\$0.031310	\$0.028420
PPFAC	In accordance with Rider 1 - PPFAC	

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: GS-43
Effective: Pending
Decision No.:

Rider R-1
Purchased Power and Fuel Adjustment Clause (PPFAC)

APPLICABILITY

The Purchased Power and Fuel Adjustment Clause (PPFAC) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXXX dated XXXXXX XX, 2013 and as updated and defined in the Company's PPFAC Plan of Administration approved in ACC Decision No. XXXXX.

RATE

The Customer monthly bill shall consist of the applicable Rate, charges and adjustments in addition to the PPFAC. The PPFAC adjustor Rate, as shown in the TEP Statement of Charges, is an amount expressed as a Rate per kWh charge to reflect the cost to the Company for energy either generated or purchased.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above Rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-1
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 702
Superseding: _____

Rider R-2
Demand Side Management Surcharge (DSMS)

APPLICABILITY

The Demand Side Management Surcharge (DSMS) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXXX dated XXXXXX XX, 2013

RATE

The DSMS shall be applied to all monthly bills. The DSMS will be assessed on a per kWh basis for residential Customers and on a percentage of bill basis for non-residential Customers. The Rates are shown in the TEP Statement of Charges.

REQUIREMENTS

The 2013 TEP DSMS is effective XXXX, XX, 2013 and will remain in effect until further order by the ACC.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-2
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 703

Superseding:

Rider R-3
Market Cost of Comparable Conventional Generation (MCCCG)
Calculation as Applicable to Rider-4 NM-PRS

AVAILABILITY

The Market Cost of Comparable Conventional Generation (MCCCG) calculation, Rider-3, is restricted solely to Rider-4, Net Metering for Certain Partial Requirements Service (NM-PRS). If for a billing month a Rider-4 NM-PRS Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation as described in Rider-4 NM-PRS. The excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the positive balance of excess kWhs (if any) after netting against billing period usage. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of Rider-4 NM-PRS shall be the simple average of the hourly MCCCG as described below for the applicable year.

The Arizona Corporation Commission (ACC) provided guidance on defining MCCCG in the context of its REST Rules and identified the MCCCG as "the Affected Utility's energy and capacity cost of producing or procuring the incremental electricity that would be avoided by the resources used to meet the Annual Renewable Energy Requirement, taking into account hourly, seasonal and long term supply and demand circumstances. Avoided costs include any avoided transmission and distribution costs and any avoided environmental compliance costs." R14-2-1801.11.

CALCULATION/METHODOLOGY

For purposes of calculating credits to the Customer for Excess Generation, the unit price paid (Credit for Excess Generation) shall be the simple average of the MCCCG over the 8,760 hours (8,784 in a leap year) hours in the forecasted year. The MCCCG in each hour is based on whether native load requirements will be met by internally owned or contracted generation resources or if market purchases will be required to meet native load requirements. The following table provides a description of the MCCCG methodology. The hourly MCCCG cost determination criteria is based on the Market Condition and Dispatch Type. This method of cost determination is very data intensive and will be calculated annually by running TEP's "Planning and Risk" modeling software, and the rate will be filed with the Commission by February 1 of each year and its applicability will coincide with the next Purchased Power and Fuel Adjustment Clause ("PPFAC") rate effective period.

RATE

The customer monthly bill shall consist of the applicable Rate, charges and adjustments in addition to the Credit for Excess Generation based on the MCCCG. The MCCCG is an amount expressed as a rate per kWh charge that is approved by the ACC on or before April 1 of each year and effective with the first billing cycle in April, as shown in the TEP Statement of Charges.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-3
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 703-1

Superseding: _____

MCCCG Cost Determination Matrix

Market Condition and Dispatch Type	Selling to Market from In House Real and Contracted Generation Sources	MCCCG Cost Based on Incremental Production/Purchase Cost of Base Load Generation for that hour
	No Market Transactions from/to In House and Contracted Generation Sources	
	Purchasing from Day Ahead Market, but not Spot Market, to meet Native Load Requirements	MCCCG Cost Based on Average Day Ahead Market Price of Purchased Power for that hour
	Purchasing from Spot Market to meet Native Load Requirements	MCCCG Cost Based on Average Spot Market Price of Purchased Power for that hour

Incremental Production / Purchase of Base Load - The cost of the next kWh (incremental) amount of load that has to be provided by TEP generation sources and/or purchased power. This will be dependent on the season, month and time of day.

If Day Ahead Market or Spot Market purchases are being used to provide for reliability support capacity to meet native load requirements by freeing up in house or contracted generation resources for regulation or spinning reserve purposes for support of native load requirements, that would still represent a Market Purchase for purposes of determining which matrix box is applicable.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-3
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 704
Superseding: _____

**Rider R-4
Net Metering for Certain
Partial Requirements Service (NM-PRS)**

AVAILABILITY

Available throughout the Company's entire electric service area to any Customer with a facility for the production of electricity on its premises using Renewable Resources ¹, a Fuel Cell ² or Combined Heat and Power (CHP) ³ to generate electricity, which is operated by or on behalf of the Customer, is intended to provide all or part of the Customer's electricity requirements, has a generating capacity less than or equal to 125% of the Customer's total connected load at the metered premise, or in the absence of load data, has capacity less than the Customer's electric service drop capacity, and is interconnected with and can operate in parallel and in phase with the Company's existing distribution system. Customer shall comply with all applicable federal, state, and local laws, regulations, ordinances and codes governing the production and/or sale of electricity.

For purposes of this Rate, the following notes and/or definitions apply:

¹Renewable Resources means natural resources that can be replenished by natural process. Renewable Resources include biogas, biomass, geothermal, hydroelectric, solar, or wind.

²Fuel Cell means a device that converts the chemical energy of a fuel directly into electricity without intermediate combustion or thermal cycles. The source of the chemical reaction must be derived from Renewable Resources.

³Combined Heat and Power (CHP) also known as cogeneration means a system that generates electricity and useful thermal energy in a single integrated system such that the useful power output of the facility plus one-half the useful thermal energy output during any 12-month period must be no less than 42.5 percent of the total energy input of fuel to the facility.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering will be used by mutual agreement between the Company and the Customer.

RATE

Customer Charges shall be billed pursuant to the Customer's standard offer Rate otherwise applicable under full requirements of service.

Power sales and special services supplied by the Company to the Customer in order to meet the Customer's supplemental or interruptible electric requirements will be priced pursuant to the Customer's standard offer Rate otherwise applicable under full requirements service.

Non-Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is not a time-of-use rate, the Customer Supplied kWh shall be credited against the Company Supplied kWh. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.

Time-of-Use Rates: For Customers taking service under a Standard Retail Rate that is a time-of-use rate, the Customer Supplied kWh during on-peak hours shall be credited against the Company Supplied kWh during on-peak hours. All Customer Supplied kWh during off-peak hours shall be credited against the Company Supplied kWh during off-peak hours. The Customer's monthly bill shall be based on this net kWh amount. Any monthly Excess Generation will be treated in accordance with the provisions outlined below.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-4
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 704-1
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EXCESS GENERATION

If for a billing month the Customer's generation facility's energy production exceeds the energy supplied by the Company, the Customer's bill for the next billing period shall be credited for the excess generation. That is, the excess kWh during the billing period shall be used to reduce the kWh supplied (not kW or kVA demand or customer/facilities charges) and billed by the Company during the following billing period. Customers taking service under a time-of-use rate who are to receive credit in a subsequent billing period for excess kWh generated shall receive such credit in the next billing period for the on-peak or off-peak periods in which the kWh were generated by the Customer. Time-of-Use Customer's taking service in the billing month of April shall receive a credit to summer on-peak and summer off-peak usage in the billing month of May for any winter on-peak and/or winter off-peak excess generation for April.

Each calendar year, for the customer bills produced in October (September usage) or a customer's "Final" bill - the Company shall credit the Customer for the balance of excess kWhs after netting. The payment for the purchase of the excess kWhs will be at the Company's applicable avoided cost, which for purposes of this rate shall be the simple average of the hourly Market Cost of Comparable Conventional Generation (MCCCG) Rider-3 for the applicable year. The MCCCG, as it applies to this rate, is specified in Rider-3 MCCCG - Market Cost of Comparable Conventional Generation (MCCCG) Calculation as Applicable to Rider-4 NM-PRS (Net Metering for Certain Partial Requirements Service).

METERING

The Company will install a bi-directional meter at the point of delivery to the customer and meter at the point of output from each of the Customer's generators. At the Company's request a dedicated phone line will be provided by the customer to the metering to allow remote interregation of the meters at each site. If by mutual agreement between company and customer that a phone line is impractical or can not be provided - the customer will work with company to allow for the installation of equipment, on or with customer facilities or equipment to allow remote acces to each meter. Any additional cost of communication, such as but not limited too, cell phone service fees will be the responsibility of the customer.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-4
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 705
Superseding: _____

**Rider R-5
Electric Service Solar Rider
(Bright Tucson Community Solar™)**

APPLICABILITY

Rider-5 is for individually metered Customers who wish to participate in the Bright Tucson Community Solar Program. Under Rider-5, Customers will be able to purchase blocks of electricity from solar generation sources. Participation in Rider-5 is limited in the Company's sole discretion to the amount of solar generation available and subscription will be made on a first come, first served basis. In order to maximize subscription under Rider-5, TEP may limit the amount of solar block energy purchased by individual Customers. Rider-5 available prior to XXXXXX XX, 2013 is further restricted to Customers being served under one of the following Rates:

- 1) Residential Lifeline Discount, Rate R-06-01
- 2) Residential Electric Service, Rate R-01
- 3) Small General Service, Rate GS-10
- 4) Large General Service, Rate LGS-13
- 5) Municipal Service, Rate PS-40

Rider-5 effective XXXXXX XX, 2013 is further restricted to Customers being served under one of the following Rates:

- 1) Residential Electric Service, Rate R-01
- 2) Small General Service, Rate GS-10
- 3) Large General Service, Rate LGS-13

Customers being served under self-generation riders or plans may not purchase power under Rider-5 (including, but not limited to Net Metering for Certain Partial Requirements Service Rider-4 and Non-Firm Power Purchase from Renewable Energy Resources and Qualifying Cogeneration Facilities of 100 kilowatts (kW) or Less Capacity Rider-101).

RATE

Customers can contract for a portion or up to their average annual usage in solar blocks of 150 kilowatt hours (kWh) each. Transmission and distribution charges will be applied to all energy delivered, including energy delivered under Rider-5. The Customer is responsible for paying (each month) all charges incurred under their applicable rate schedule, and the total solar energy contracted for multiplied by the applicable solar block energy rate. Any demand based charges under the Customer's current Rate will not be affected by elections under Rider-5.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-5
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 705-1

Superseding: _____

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this rate.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

- 1) Customers may contract for a portion or up to their average annual usage in solar blocks of 150 kWh. If Customer's annual average usage is not available, TEP will apply the appropriate class average. This limit can be reviewed annually at the request of the Customer.
- 2) Each solar block's energy rate will be maintained for twenty years from the date of purchase. For the purposes of the twenty year energy rate, solar blocks will be attributed to the Customer's original service address. Transfer of service under Rider-5 is prohibited. Should the Customer cancel service for any reason, his or her subscription under Rider-5 will expire.
- 3) Customers may add or delete solar blocks once within a twelve month period. Any addition of solar blocks will be at the then offered solar block energy rate.
- 4) Solar blocks will be applied to the actual energy usage each month. Electricity used in excess of the purchased solar blocks will be billed at the Customer's regular energy rate. If electricity usage is below the amount covered by the solar block(s), then the excess kWhs will be rolled forward and credited again the Customer's usage in the following month. The Customer will still be responsible for the full cost of the block(s) each month.

Customers will be credited for the balance of any excess kWhs annually, or on their final bill should the Customer terminate service under Rider-5. Each year, for the bills produced in October (September usage), TEP will credit Customers their excess kWhs after netting and reset their balance to zero. Credit for excess kWhs will be at the energy rate of the oldest solar block.

- 5) All contracted solar block kWhs and associated charges in a billing month will be excluded from the calculation of PPFAC and REST charges and/or credits.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-5
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 706
Superseding: _____

Rider R-6
Renewable Energy Standard and Tariff (REST) Surcharge
REST-TS1 Renewable Energy Program Expense Recovery

APPLICABILITY

Mandatory, non-bypassable surcharge applied to all energy consumed by all Customers throughout Company's entire electric service area.

RATES

For all energy billed which is supplied by the Company to the Customer. The REST surcharge shall be applied to all monthly bills. The REST rates are shown in the TEP Statement of Charges.

Notes:

- 1) A Large Commercial Customer is one with monthly demand greater or equal to 200 kW but less than 3,000 kW.
- 2) An Industrial Customer is one with monthly demand equal to or greater than 3,000 kW.
- 3) For non-metered services, the lesser of the load profile or otherwise estimated kWh required to provide the service in question, or the service's contract
- 4) kWh shall be used in the calculation of the surcharge.

This charge will be a line item on customer bills reading "Renewable Energy Standard Tariff."

Per Decision No. 73637 effective February 1, 2013, any Customer who has received incentives under the REST Rules, shall pay the average of the REST surcharge paid by members of their Customer class. This requirement shall apply to renewable systems reserved on and after January 1, 2012. The average price by class is shown in the TEP Statement of Charges

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-6
Effective: PENDING
Decision No.:

Rider R-7
Customer Self-Directed Renewable Energy Option
REST-TS2 Renewable Energy Standard Tariff

AVAILABILITY

Open to all Eligible Customers as defined at A.A.C. R14-02-1801.H.

APPLICABILITY

Any Eligible Customer that applies to the Company under this program and receives approval shall participate at its option.

PARTICIPATION PROCESS

An Eligible Customer seeking to participate shall submit to the Company a written application that describes the Distributed Renewable Energy (DRE) resources or facilities that it proposes to install and the estimated costs of the project. The Company shall have sixty (60) calendar days to evaluate and respond in writing to the Eligible Customer, either accepting or declining the project. If accepted, the Customer shall be reimbursed up to the actual dollar amounts of customer surcharge paid under the REST-TS1 Tariff in any calendar year in which DRE facilities are installed as part of the accepted project. To qualify for such funds, the Customer shall provide at least half of the funding necessary to complete the project described in the accepted application, and shall provide the Company with sufficient and reasonable written documentation of the project's costs. Customer shall submit their application prior to May 1 of a given year to apply for funding in the following calendar year.

FACILITIES INSTALLED

The maintenance and repair of the facilities installed by a Customer under this program shall be the responsibility of the Customer following completion of the project. In order to be accepted by the Company for reimbursement purposes, the project shall, at a minimum, conform to the Company's System Qualification standards on file with the Commission. (REST Implementation Plan, Renewable Energy Credit Purchase Program – RECPP, Distributed Generation Interconnection Requirements, Net Metering Tariff, Company's Interconnection Manual)

PAYMENTS AND CREDITS

All funds reimbursed by the Company to the Customer for installation of approved DRE facilities shall be paid on an annual basis no later than March 30th of each calendar year. All Renewable Energy Credits derived from a project, including generation and Extra Credit Multipliers, shall become the property of the Company and shall be applied towards the Company's Annual Renewable Energy Requirement as defined in A.A.C. R14-2-1801.B.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this Rider.

RELATED SCHEDULES

- REST-TS1 - Renewable Energy Program Expense Recovery

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-7
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 708
Superseding: _____

Rider R-8 Lost Fixed Cost Recovery (LFCR)

APPLICABILITY

The Lost Fixed Cost Recovery (LFCR) will be applied to all Customers taking service from the Company other than traffic signal and street lighting service, lighting service, water pumping service, and large light and power service as defined in the Company's LFCR Plan of Administration (POA). As provided for in the POA, in the event a residential Customer chooses to contribute to this program by paying a fixed charge option, the monthly Customer Charge specified on the appropriate Standard Offer tariff will be charged in lieu of the percentage rate shown in the TEP Statement of Charges.

CHANGE IN RATE

The LFCR recovers a portion of the authorized margin approved in the Company's most recent rate case that has been lost as the result of implementing ACC-mandated Energy Efficiency and Distributed Generation programs. Each year, a percentage charge will be placed in effect and charged to the participating Rate classes for the 12-month period the LFCR adjustment is applicable. The total year-on-year adjustment cannot exceed 2% of the Company's most recent total combined retail calendar year revenues for all participating Rate classes.

The LFCR adjustment shall be applied to all monthly bills as a percentage of the total bill and is anticipated to become effective on or around July 1, 2014.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the Arizona Corporation Commission (ACC) see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this rate.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-8
Effective: PENDING
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 709
Superseding: _____

**Rider R-9
Environmental Compliance Adjustor (ECA)**

APPLICABILITY

The Environmental Compliance Adjustor (ECA) will be applied to all Customers taking Standard Offer service from the Company pursuant to the Arizona Corporation Commission (ACC) Decision No. XXXX dated XXX, 2013 and as defined in the Company's ECA Plan of Administration.

RATE

The Customer monthly bill shall consist of the applicable Rate charges and adjustments including the ECA. The ECA adjustor Rate is an amount expressed as a Rate per kWh charge, as shown in the TEP Statement of Charges.

TEP STATEMENT OF CHARGES

For all additional charges and assessments approved by the ACC see the TEP Statement of Charges which is available on TEP's website at www.tep.com.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

This standard Rules and Regulations of the Company as on file with the ACC shall apply where not inconsistent with this Rider.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-9
Effective: PENDING
Decision No.:

Rider R-10
MGC-1 Market Generation Credit (MGC) Calculation

INTRODUCTION

There are two purposes of the Market Generation Credit (MGC). The first purpose is to establish a price to which TEP's energy customers can compare to the prices of competitors. The second purpose is to enable the calculation of the variable or "floating" component of TEP's stranded cost recovery. Shown below are the terms of the MGC methodology per TEP's Settlement Agreement, Section 2.1(d), as amended March 20, 2003:

The monthly MGC amount shall be calculated in advance and stated as both an on-peak value and an off-peak value. The monthly on-peak MGC component shall be equal to the Market Price multiplied by one plus the appropriate line loss (including unaccounted for energy ("UFE")) amount. The Market Price shall be equal to the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price, except when adjusted for the variable cost of TEP's must-run generation. The Market Price shall be determined thirty (30) days prior to each calendar month using the average of the most recent three (3) business days of Tullett Liberty Long-Term Forward Assessment for Palo Verde settlement prices. The off-peak MGC component shall be determined in the same manner as the on-peak component, except that the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price will be adjusted by the ratio of off-peak to on-peak prices from the Dow Jones Palo Verde Index of the same month from the preceding year. The MGC shall be equal to the hours-weighted average of the on-peak and off-peak pricing components and shall reflect the cost of serving a one hundred percent (100%) load factor customer.

To reflect the cost of serving a 100% load factor customer, the actual MGC used for billing calculations will be a loss adjusted average price that is weighted by the ratio of on-peak and off-peak hours. This process is illustrated in equations 4 and 5 below and will be posted to TEP's website <http://partners.tucsonelectric.com> thirty (30) days prior to each calendar month. This composite price will be credited to all energy consumption, regardless of the time period in which it is consumed.

CALCULATIONS

Five steps are outlined below for the calculation of the MGC. None of the steps are excludable for any customer type. Acronyms are defined in the Glossary at the end of this document.

1. Calculating the on-peak MGC

Thirty (30) days prior to each calendar estimation month, the Tullett Prebon Long-Term Forward Assessment for Palo Verde Forward prices for the three (3) most recent business days are used. The simple average (or arithmetic mean) is calculated for these three (3) days for the estimation month.

$$MGC_{ON,i} = \frac{\sum (TULLETT)_i}{3} \quad \text{(Equation 1)}$$



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The calculation is illustrated in the table below.

Forward Prices per MWh	Apr-2002
3/1/2002	\$25.50
2/28/2002	\$25.50
2/27/2002	\$24.75
Average	\$25.25

2. Calculating the off-peak MGC

The off-peak MGC is determined by multiplying the on-peak MGC value by the off-peak price weighting factor (WEIGHT). The WEIGHT is equal to the simple average of all off-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year, divided by the simple average of all on-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{OFF,i} = MGC_{ON,i} * WEIGHT_i \quad (\text{Equation 2})$$

where

$$WEIGHT_i = \frac{DJPVI_{OFF,i}}{DJPVI_{ON,i}} \quad (\text{Equation 3})$$

3. Weighting the MGC for hours in the month

The on-peak and off-peak MGCs are combined to form an average MGC by computing a weighted average of the two time periods. This is done by multiplying the on-peak MGC by the percentage of on-peak hours in the same month of the previous year and then adding the product of the off-peak MGC and the percentage of off-peak hours in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{WEIGHT,i} = MGC_{ON,i} * \left(\frac{ONHOURS}{ONHOURS + OFFHOURS} \right) + MGC_{OFF,i} * \left(\frac{OFFHOURS}{ONHOURS + OFFHOURS} \right) \quad (\text{Equation 4})$$

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 Title: Vice President of Finance and Rates
 District: Entire Electric Service Area

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 Effective: Pending
 Decision No.:



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Original Sheet No.: 710-2

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4. Loss-adjusting the MGC

The average MGC must be adjusted for line losses. The appropriate line loss adjustment factor (LLAF) for a large industrial customer is 1.0515. For all other customers, the appropriate factor is 1.0919.

$$MGC_{LOSS,i} = MGC_{WEIGHT,i} * LLAF \quad (\text{Equation 5})$$

5. Adjusting the MGC for variable must-run

The MGC will be adjusted for variable must-run as defined in TEP's Stranded Cost Settlement Agreement and AISA protocols. Fifteen (15) days prior to each month, TEP forecasts a ratio of its variable must-run generation to retail system demand for the following month. The MGC is determined by adding the product of MGC_{LOSS} and one minus the ratio of variable must-run generation to total retail system demand to the product of \$15/MWh and the variable must-run ratio.

$$MGC_i = [MGC_{LOSS,i} * (1 - VMR_i)] + (\$15 * VMR_i) \quad (\text{Equation 6})$$

This calculation produces the final value for the Market Generation Credit.

GLOSSARY

DJPV_{OFF}	Simple average of off-peak prices on the Dow Jones Palo Verde Index.
DJPV_{ON}	Simple average of on-peak prices on the Dow Jones Palo Verde Index.
Dow Jones Palo Verde Index	Daily calculation of actual firm on-peak and firm off-peak weighted average prices for electricity traded at Palo Verde, Arizona switchyard.
AISA	Arizona Independent Scheduling Administrator, a temporary entity, independent of transmission-owning organizations, intended to facilitate nondiscriminatory retail direct access using the transmission system in Arizona. Required by the Arizona Corporation Commission Retail Electric Competition Rules.
LLAF	Line-loss adjustment factor.
MGC	Market Generation Credit.
MGC_{OFF}	MGC _{ON} weighted by the ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.
MGC_{ON}	Average of the Tullett Liberty prices on days appropriate for the calculation of the MGC.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 710-3

Superseding: _____

MGC_{LOSS}	MGC _{WEIGHT} adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
MGC_{WEIGHT}	A weighted average of MGC _{ON} and MGC _{OFF} by ONHOURS and OFFHOURS.
Must-run Generation	The cost associated with the running of local generating units needed to maintain distribution system reliability and to meet load requirements in times of congestion on certain portions of the interconnected grid.
NERC	North American Electric Reliability Council. A voluntary not-for-profit organization established to promote bulk electric system reliability and security. Membership includes: investor-owned utilities; federal power agencies; rural electric cooperatives; state, municipal and provincial utilities; independent power producers; power marketers; and end-use customers.
OFFHOURS	Number of total monthly off-peak hours as defined by NERC. Off-peak hours are hour ending 0100 – hour ending 0600 and hour ending 2300 – hour ending 2400, Monday through Saturday, Pacific Prevailing Time (PPT). All Sunday hours are considered off-peak. PPT is defined as the current clock time in the Pacific time zone.
ONHOURS	Number of total monthly on-peak hours as defined by NERC. On-peak hours are hour ending 0700 – hour ending 2200 Monday through Saturday, Pacific Prevailing Time (PPT). PPT is defined as the current clock time in the Pacific time zone.
TULLETT	Tullett Liberty - a provider of independent real-time price information from the wholesale inter-dealer brokered commodity markets, from which the on-peak Long Term Forward Assessment of market prices of electricity at the Palo Verde, Arizona switchyard are obtained. The forward product is "6 x 16," power is for 16 hours a day for six days a week (Monday through Saturday) for the delivery period, excluding NERC holidays.
Stranded Costs	The difference between revenues under competition and the costs of providing service, including the inherited fixed costs from the previous regulated market.
TEP	Tucson Electric Power Company, a subsidiary of UNS Energy Corp.
TEP Settlement Agreement	An agreement between TEP, the Arizona Residential Utility Consumer Office, members of the Arizonans for Electric Choice and Competition, and Arizona Community Action Association regarding TEP's implementation of retail electric competition, implementation of unbundled tariffs, and recovery of stranded costs.
VMR	Ratio of variable must-run generation (MW) to total retail system demand (MW) in TEP's service territory.
WEIGHT	Ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-10
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 711
Superseding:

Rider R-11
Schedule MGC-2 Market Generation Credit (MGC)
Calculation for Partial Requirements Services

INTRODUCTION

The purpose of the Market Generation Credit (MGC) for Partial Requirements Services is to establish a price at which TEP's partial requirements customers will purchase backup/standby and supplemental energy for applicable Partial Requirements Service tariff customers. The Market Generation Credit for Partial Requirements Services is consistent with the MGC methodology per TEP's Settlement Agreement, Section 2.1(d), as amended March 20, 2003.

The monthly MGC amount shall be calculated in advance and stated as both an on-peak value and an off-peak value. The monthly on-peak MGC component shall be equal to the Market Price multiplied by one plus the appropriate line loss (including unaccounted for energy ("UFE")) amount. The Market Price shall be equal to the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price, except when adjusted for the variable cost of TEP's must-run generation. The Market Price shall be determined fifteen (15) days prior to each calendar month using the average of the most recent three (3) business days of Tullett Liberty Long-Term Forward Assessment for Palo Verde settlement prices. The off-peak MGC component shall be determined in the same manner as the on-peak component, except that the Tullett Liberty Long-Term Forward Assessment for the Palo Verde Forward price will be adjusted by the ratio of off-peak to on-peak prices from the Dow Jones Palo Verde Index of the same month from the preceding year.

CALCULATIONS

The Customer will be charged adjusted on-peak MGC multiplied by kWh consumption for On-peak hours, and adjusted off-peak MGC multiplied by kWh consumption for Off-peak hours. Three steps are outlined below for the calculation of the MGC. None of the steps are excludable for any customer type. Acronyms are defined in the Glossary at the end of this document.

1. Calculating the on-peak MGC

Fifteen (15) days prior to each calendar estimation month, the Platts Long-Term Forward Assessment for Palo Verde Forward prices for the three (3) most recent business days are used. The simple average (or arithmetic mean) is calculated for these three (3) days for the estimation month.

$$MGC_{ON,i} = \frac{\sum (TULLETT)_i}{3} \quad (\text{Equation 1})$$

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-11
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 711-1
Superseding: _____

The calculation is illustrated in the table below.

Forward Prices per MWh	Apr 2002
3/13/2002	\$25.80
3/14/2002	\$26.90
3/15/2002	\$27.75
Average	\$26.82

2. Calculating the off-peak MGC

The off-peak MGC is determined by multiplying the on-peak MGC value by the off-peak price weighting factor (WEIGHT). The WEIGHT is equal to the simple average of all off-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year, divided by the simple average of all on-peak prices from the Dow Jones Palo Verde Index in the same month of the previous year. Off-peak, on-peak and holiday hours are defined by NERC in the estimation month.

$$MGC_{OFF,i} = MGC_{ON,i} * WEIGHT_i \quad (\text{Equation 2})$$

where

$$WEIGHT_i = \frac{DJPVI_{OFF,i}}{DJPVI_{ON,i}} \quad (\text{Equation 3})$$

3. Loss-adjusting the MGC

The on-peak MGC and the off-peak MGC must be adjusted for line losses. The appropriate line loss adjustment factor (LLAF) for the large industrial customer class is 1.0515; for all other customer classes, the appropriate factor is 1.0919.

$$MGC_{LOSS-ON,i} = MGC_{ON,i} * LLAF \quad (\text{Equation 4})$$

$$MGC_{LOSS-OFF,i} = MGC_{OFF,i} * LLAF \quad (\text{Equation 5})$$

This calculation produces the final value for the on-peak and off-peak Market Generation Credits.

GLOSSARY

DJPVI _{OFF}	Simple average of off-peak prices on the Dow Jones Palo Verde Index.
DJPVI _{ON}	Simple average of on-peak prices on the Dow Jones Palo Verde Index.
Dow Jones Palo Verde Index	Daily calculation of actual firm on-peak and firm off-peak weighted average prices for electricity traded at Palo Verde, Arizona switchyard.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-11
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 711-2
Superseding: _____

LLAF	Line-loss adjustment factor.
MGC	Market Generation Credit.
MGC_{OFF}	MGC _{ON} weighted by the ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.
MGC_{ON}	Average of the Tullett Liberty prices on days appropriate for the calculation of the MGC.
MGC_{LOSS-ON}	MGC _{ON} adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
MGC_{LOSS-OFF}	MGC _{OFF} adjusted for line losses (including unaccounted for energy) on TEP's generation and energy delivery systems.
NERC	North American Electric Reliability Council. A voluntary not-for-profit organization established to promote bulk electric system reliability and security. Membership include investor-owned utilities; federal power agencies; rural electric cooperatives; state, municipal and provincial utilities; independent power producers; power marketers; and end-use customers.
Off-Peak Hours	Number of total monthly off-peak hours as defined by NERC. Off-peak hours are hour ending 0100 – hour ending 0600 and hour ending 2300 – hour ending 2400, Monday through Saturday, Pacific Prevailing Time (PPT). All Sunday hours are considered off-peak. PPT is defined as the current clock time in the Pacific time zone.
On-Peak Hours	Number of total monthly on-peak hours as defined by NERC. On-peak hours are hour ending 0700 – hour ending 2200 Monday through Saturday, Pacific Prevailing Time (PPT). PPT is defined as the current clock time in the Pacific time zone.
TULLETT	Tullett Liberty - a provider of independent real-time price information from the wholesale inter-dealer brokered commodity markets, from which the on-peak Long Term Forward Assessment of market prices of electricity at the Palo Verde, Arizona switchyard are obtained. The forward product is "6 x 16," power is for 16 hours a day for six days a week (Monday through Saturday) for the delivery period, excluding NERC holidays.
Stranded Costs	The difference between revenues under competition and the costs of providing service, including the inherited fixed costs from the previous regulated market.
TEP	Tucson Electric Power Company, a subsidiary of UNS Energy Corp.
TEP Settlement Agreement	An agreement between TEP, the Arizona Residential Utility Consumer Office, members of the Arizonans for Electric Choice and Competition, and Arizona Community Action Association regarding TEP's implementation of retail electric competition, implementation of unbundled tariffs, and recovery of stranded costs.
WEIGHT	Ratio of off-peak to on-peak prices on the Dow Jones Palo Verde Index.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: R-11
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 802
Superseding: _____

Bill Estimation Methodologies

Tucson Electric Power Company (TEP) regularly encounters situations in which TEP cannot obtain a complete and valid meter read. No matter the cause of the need to estimate the read, the following methods are used depending on the circumstances.

PREVIOUS YEAR FORMULA

SAME CUSTOMER WITH AT LEAST ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous year using the "PREVIOUS YEAR" formula as follows:

If last year's usage was estimated, see Previous Month Formula:

LAST YEAR'S USAGE FOR SAME MONTH / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE
(FOR "TIME OF USE" (TOU) THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

PREVIOUS MONTH FORMULA

SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous month using the "PREVIOUS MONTH" formula as follows:

If last month's usage was estimated, see Trend Formula:

LAST MONTHS USAGE / NUMBER OF DAYS IN BILLING PERIOD = PER DAY USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

PER DAY USAGE X NUMBER OF DAYS IN THIS MONTH'S CYCLE = ESTIMATED USAGE
(FOR TOU THIS WOULD BE APPLIED TO EACH PERIOD)

TREND FORMULA

NEW CUSTOMER AT SAME PREMISE

TEP would generate a bill using the "TREND" formula, based on customer's usage trend as described below:

TEP's customer information system (CIS) would generate a bill based on trend. Customers are assigned to a Trend area which differentiate consumption based on different geographic areas. Secondly, the customer is assigned to a Trend class which is used to differentiate consumption trends based on the type of service and type of property. An example of this would be residential, commercial, and industrial usage. Thirdly, all consumption is identified using unit of measure code and a time of use code. Within TEP's CIS, a trend record is created from each billed service. This record becomes part of a trend table. During estimation, consumption from three prior bill cycles is compared to the consumption from the same cycle in the previous month to determine a trend. This trend, plus a tolerance, is used to create a usage amount for bill estimation.

CUSTOMER'S USAGE IN PREVIOUS PERIOD / AVERAGE CUSTOMER'S USAGE IN PREVIOUS PERIOD X AVERAGE CUSTOMER'S
USAGE IN CURRENT PERIOD = ESTIMATED CONSUMPTION FOR REGISTER READ

NO HISTORY

TEP would not generate a bill until a good meter read was acquired then use known consumption to estimate previous bills.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Bill Estimation - 1
Effective: Pending
Decision No.:



Tucson Electric Power

Tucson Electric Power Company

Original Sheet No.: 802-1

Superseding:

Demand Estimate

For accounts that have a demand billing component TEP collects interval data. This interval data is used to manually estimate demands using the following methodologies:

SAME CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous year using the following formula:

$$\text{LAST YEAR'S DEMAND FOR SAME MONTH} = \text{ESTIMATED DEMAND}$$

NEW CUSTOMER AT SAME PREMISE WITH AT LEAST ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

SAME CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

NEW CUSTOMER AT SAME PREMISE WITH LESS THAN ONE YEAR OF HISTORY

TEP would generate a bill based on customer usage from the previous month using the following formula:

$$\text{LAST MONTHS DEMAND} = \text{ESTIMATED DEMAND}$$

NO HISTORY

TEP would not generate a bill until a good demand read was acquired then use known demand to estimate previous bills.

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Bill Estimation - 1
Effective: Pending
Decision No.:

EXHIBIT

DJD-2

AVERAGE RESIDENTIAL BILL IMPACTS (WITH ASSUMED PPFAC IN SETTLEMENT)

Average Monthly Consumption		Residential		Customer Rate - R1		Current Annual bill	New Annual Bill	Annual Bill Change	Percent Change to Total Bill	\$ change in bill
Bill impacts comparing current rates to proposed rates										
400 kWh						\$471.43	\$516.14	\$44.71	9.5%	\$3.73
767 kWh *						\$931.19	\$966.07	\$34.88	3.7%	\$2.91
900 kWh						\$1,056.53	\$1,089.53	\$33.00	3.1%	\$2.75
1,500 kWh						\$1,731.22	\$1,780.64	\$49.42	2.9%	\$4.12
3,600 kWh						\$4,450.62	\$4,594.21	\$143.59	3.2%	\$11.97
Bill impacts comparing current rates to proposed rates (excluding Customer Charge increase)										
400 kWh						\$471.43	\$480.14	\$8.71	1.8%	\$0.73
767 kWh *						\$931.19	\$930.07	(\$1.12)	-0.1%	-\$0.09
900 kWh						\$1,056.53	\$1,053.53	(\$3.00)	-0.3%	-\$0.25
1,500 kWh						\$1,731.22	\$1,744.64	\$13.42	0.8%	\$1.12
3,600 kWh						\$4,450.62	\$4,558.21	\$107.59	2.4%	\$8.97

Note * 767 kWh is the Average Annual Monthly consumption for TEP's Residential Customer

EXHIBIT

DJD-3

**TUCSON ELECTRIC POWER COMPANY
LOST FIXED COST RECOVERY MECHANISM (“LFCR”)
PLAN OF ADMINISTRATION**

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1. General Description

This document describes the plan of administration for the LFCR mechanism approved for Tucson Electric Power (“TEP” or “Company”) by the Arizona Corporation Commission (“ACC”) in Decision No. xxxxx (date). The LFCR mechanism provides for the recovery of lost fixed costs, as measured by a reduction in non-fuel revenue, associated with the amount of energy efficiency (“EE”) savings and distributed generation (“DG”) that is authorized by the Commission and determined to have occurred. Costs to be recovered through the LFCR include the portion of transmission and distribution costs included in base rates exclusive of the Customer Charge and 50% of the demand rates in effect.

2. Definitions

Applicable Company Revenues – The amount of revenue generated by sales to retail customers, for all applicable rate schedules, less the amount attributable to sales to those residential customers who chose the Fixed Cost Option.

Current Period – The most recent adjustment year.

Demand Stability Factor – Fifty percent of Demand-based revenue (excluding any purchased power and fuel costs) produced by base rates.

Distribution and Transmission Revenue – The amount of revenue determined at the conclusion of a rate case by multiplying each participating rate class’ adjusted test year billing determinants (kWh) by their approved distribution and transmission related charges. This will be determined by reducing each class’ total retail revenue by the customer charge revenue, generation related revenue, purchased power and fuel costs and the Demand Stability Factor.

DG Savings – The amount of kWh sales or kW of capacity reduced by DG. TEP will use meter data for determining the kWh or kW lost through the implementation of DG systems unless a rare circumstance occurs where the meter data is not available at which time the lost sales will be quantified using statistical verification or output profile or other Commission authorized methods. Each year, TEP will use actual data through December to calculate the savings. The calculation of DG savings will consist of the following by class:

1. Cumulative Verified: The total kWh or kW reduction as metered each year less the total kWh or kW reduction metered in TEP’s most recent general rate case test year (2011). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.

-
2. Current Period: The annual kWh or kW produced by the cumulative total of DG installations since the end of the test year used in TEP's most recent general rate case.
 3. The only DG Savings that will be excluded from the calculated Lost Fixed Cost Revenue calculation are those kWh or kW that were lost as the result of actions by customers in excluded rate classes.
 4. The annual kW capacity of the cumulative total of DG installations since the end of the test year used in TEP's most recent general rate case. For solar systems only, the actual kW capacity used to calculate lost revenues for applicable demand metered customers will be the actual solar generation measured by the Solar production meter coincident with the customer's maximum fifteen minute demand for the billing period.

Fixed Cost Option – The rate schedule choice for residential customers who prefer contributing to the recovery of Lost Fixed Cost Revenue in the form of an optional fixed rate added as an incremental charge to the Customer Charge in the applicable residential tariff rate. The total dollars paid as an incremental amount added to the otherwise effective Customer Charge will be accumulated over the Current Period and used to reduce the total Lost Fixed Cost Revenue recovered as part of the LFCR adjustment. The variable LFCR adjustment shall not be applied to residential customers who choose the Fixed Cost option. This rate will be reflected as an incremental addition to the customer charge on the otherwise effective tariff and made available to customers at the time of the first LFCR adjustment. Customers choosing this fixed option within the first twelve months subsequent to the initial effective date of the LFCR will be allowed to change back to the volumetric option one time without any penalties. After the initial twelve month period, customers will be required to stay on which ever option they choose for twelve full months before a change can be made.

EE Programs – Any program approved in TEP's Energy Efficiency/Demand Side Management ("EE/DSM") implementation plan.

EE Savings – The amount of sales, expressed in kWh or kW, reduced by Energy Efficiency activities as demonstrated by the Measurement, Evaluation, and Research ("MER") conducted for TEP's EE Programs. The Company's EE activities are being reviewed as part of the MER evaluation and will determine the total kWh or kW lost as a result of those activities. As part of this filing the Commission Staff will have the option of reviewing any portion of the filing they deem necessary to verify the filings accuracy. EE Savings shall be quantified based on the cumulative lost kWh or kW occurring starting January 1, 2013 and shall be reset as of the end of the test year in each subsequent rate case. The calculation of EE Savings will consist of the following by class:

1. Cumulative Verified: The cumulative total kWh or kW reduction as determined by the MER recognizing that the cumulative total is reset (to zero) at the end of each of TEP's most recent general rate case. The first such reset will be January 1, 2012, (the end of the Test Year in Decision xxxxx, dated xx,). The initial Cumulative Verified term of the LFCR will begin on January 1, 2013.
2. Current Period: The annual EE related sales reductions (kWh or kW). Each year, TEP will use actual MER data through December to calculate savings.

-
3. **Excluded kWh reduction:** The reduction of recoverable EE Savings calculated by subtracting the amount of EE Savings actually achieved by customers on Excluded Rate Schedules if included in the total reported in the annual EE/DSM filing.

Effective Period – The twelve month period beginning with July 1 of each year, when the LFCR will be charged.

Excluded Rate Schedules – The LFCR mechanism shall not apply to Traffic Signal and Street Lighting Service (PS-41), the Lighting Service (GS-50), ~~w~~Water ~~p~~Pumping Service (GS-43), or the Large Light and power Service (LLP-14 and LLP-90) rate schedules.

LFCR Adjustment – An amount calculated by dividing Lost Fixed Cost Revenue (As reduced by the total incremental fixed cost option dollars paid by the residential customers who have chosen the Fixed Cost Option and will be based on the incremental increase in the customer charge they have paid over the twelve-months during the Current Period.) by the Current period's retail revenue (less the estimated sales to the residential customers who chose the Fixed Cost Option) during the Effective Period for the participating rate classes. This percentage adjustment rate will be applied to all customer bills, excluding those on Excluded Rate Schedules.

Lost Fixed Cost Rate – A rate determined at the conclusion of a rate case by taking the sum of allowed Distribution and Transmission Revenue (which excludes the customer charge, the generation component and purchased power and fuel) for each rate class and dividing each by their respective class adjusted test year kWh and/or kW billing determinants.

Lost Fixed Cost Revenue – The amount of fixed costs not recovered by the utility because of EE and DG Savings during the measurement period. This amount is calculated by multiplying the Lost Fixed Cost Rate by Recoverable kWh Savings, by rate class.

Recoverable kWh Savings - The sum of EE and DG Savings by applicable rate class.

3. LFCR Annual Incremental Cap

The LFCR Adjustment will be subject to an annual 1% year over year cap based on Applicable Company Revenues. If the annual incremental LFCR Adjustment results in a surcharge in excess of 1% of Applicable Company Revenues, any amount in excess of the 1% cap will be deferred for collection until the next year. Any deferred amounts will be collected in a subsequent year or rolled into the next rate case, whichever occurs first. Where the 1% cap limits the recovery of deferrals in any program year, and thus moves their recovery to the following year, a first-in, first-out ("FIFO") approach will be applied. In connection therewith, the new surcharge billed in the following year will first recover any such carried-over deferrals, and then recover new deferrals arising in that following year. The one-year Nominal Treasury Constant Maturities rate contained in the Federal Reserve Statistical Release H-15 or its successor publication will be applied annually to any deferred balance. The interest rate shall be adjusted annually and shall be that annual rate applicable to the first business day of the calendar year.

The initial LFCR filing will reconcile unrecovered lost revenues from January 1, 2013 through December 31, 2013.

4. Filing and Procedural Deadlines

TEP will file the calculated Annual LFCR Adjustment, including all Compliance Reports, with the Commission for the previous year by May 15th of each year. Staff will use its best efforts to process the matter based on the results of the Company's annual EE/DSM and Renewable Energy Standard Tariff ("REST") filings such that a new LFCR adjustment may go into effect by July 1st of each year. However, the new LFCR Adjustment will not go into effect until approved by the Commission.

5. Compliance Reports

TEP will provide comprehensive compliance reports to Staff and the Residential Utility Consumer Office by May 15th of each year. The information contained in the Compliance Reports will consist of the following schedules:

- Schedule 1 : LFCR Annual Percentage Adjustment Rate
- Schedule 2: LFCR Annual Incremental Cap Calculation
- Schedule 3: LFCR Calculation
- Schedule 4: LFCR Test Year Rate Calculation
- Schedule 5: Distribution and Transmission Revenue Calculation

SCHEDULES

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 1: LFCR Annual Adjustment Rate (Percentage)
(\$000)

Line No.	(A) Annual Per kWh Adjustment	(B) Reference	(C) Total
1.	Total Lost Fixed Cost Revenue for Current Period	Schedule 2, Line 13	\$ -
2.	Forecast of Applicable Company's Revenues	Schedule 2, Line 1	-
3.	Percentage Adjustment Applied to Customer's Bills	(Line 1 / Line 2)	0.0000%

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 2: LFCR Annual Incremental Cap Calculation
(\$000)

Line No.	(A) LFCR Annual Incremental Cap Calculation	(B) Reference	(C) Totals
1	Applicable Company Revenues		\$
2	Allowed Cap %		1.00%
3	Maximum Allowed Incremental Recovery	(Line 1 * Line 2)	\$ -
4	Total Lost Fixed Cost Revenue	Schedule 3, Line 55, Column C	\$ -
5	Total Deferred Balance from Previous Period	Previous Filing, Schedule 2, Line 11, Column C	-
6	Annual Interest Rate		0.00%
7	Interest Accrued on Deferred Balance	(Line 5 * Line 6)	-
8	Total Lost Fixed Cost Revenue Current Period	(Line 4 + Line 5 + Line 7)	\$ -
9	Lost Fixed Cost Revenue from Prior Period	Previous Filing, Schedule 2, Line 13, Column C	\$ -
10	Total Incremental Lost Fixed Cost Revenue for Current Year	(Line 8 - Line 9)	\$ -
11	Amount in Excess of Cap to Defer	(Line 10 - Line 3)	\$ -
12	Incremental Period Adjustment	[(Line 10 - Line 11)/ Line 1]	-
13	Total Lost Fixed Cost Revenue for Current Period	(Line 8 - Line 11)	\$ -

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation
(\$000)

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
Residential				
<u>Energy Efficiency Savings</u>				
1	Current Period			kWh
2	% of Residential Customers choosing fixed-option		0.0%	
3	Excluded kWh reduction	(Line 1 * Line 2)	-	kWh
4	Net - Current Period	(Line 1 - Line 3)	-	kWh
5	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 6, Column C	-	kWh
6	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 6, Column C + Line 4)	-	kWh
7	Total Recoverable EE Savings	Line 6	-	kWh
8	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0308	\$/kWh
9	Residential - Lost Fixed Cost Revenue Relating to EE	(Line 7 * Line 8)	\$ -	
<u>Distributed Generation</u>				
10	Current Period			kWh
11	% of Residential Customers choosing fixed-option		0.0%	
12	Excluded kWh reduction	(Line 10 * Line 11)	-	kWh
13	Net - Current Period	(Line 10 - Line 12)	-	kWh
14	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 15, Column C	-	kWh
15	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 15, Column C + Line 13)	-	kWh
16	Total Recoverable DG Savings	Line 15	-	kWh
17	Residential - Lost Fixed Cost Rate	Schedule 4, Line 3, Column C	\$ 0.0308	\$/kWh
18	Residential - Lost Fixed Cost Revenue Relating to EE	(Line 16 * Line 17)	\$ -	
Small General Service				
<u>Energy Efficiency Savings</u>				
19	Current Period		-	kWh
20	Prior Period kWh EE losses	Previous Filing, Schedule 3, Line 21, Column C	-	kWh
21	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 21, Column C + Line 19)	-	kWh
22	Total Recoverable EE Savings	Line 21	-	kWh
23	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0314	\$/kWh
24	Small General Service - Lost Fixed Cost Revenue Relating to EE	(Line 22 * Line 23)	\$ -	
<u>Distributed Generation</u>				
25	Current Period		-	kWh
26	Prior Period kWh DG losses	Previous Filing, Schedule 3, Line 27, Column C	-	kWh
27	Cumulative Recoverable kWh savings	(Previous Filing, Schedule 3, Line 27, Column C + Line 25)	-	kWh
28	Total Recoverable DG Savings	Line 27	-	kWh
29	Small General Service - Lost Fixed Cost Rate	Schedule 4, Line 6, Column C	\$ 0.0314	\$/kWh
30	Small General Service - Lost Fixed Cost Revenue Relating to DG	(Line 28 * Line 29)	\$ -	

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 3: LFCR Calculation
(\$000)

Line No.	(A) LFCR Fixed Cost Revenue Calculation	(B) Reference	(C) Totals	(D) Units
Large General Service - Delivery Revenue - Demand				
<u>Energy Efficiency Savings</u>				
31	Current Period		-	kW
		Previous Filing, Schedule 3, Line 33, Column		
32	Prior Period kW EE losses	C	-	kW
		(Previous Filing, Schedule 3, Line 33, Column		
33	Cumulative Recoverable kW savings	C + Line 31)	-	kW
34	Total Recoverable EE Savings	Line 33	-	kW
35	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 2.3901	\$/kW
36	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 34 * Line 35)	\$ -	
<u>Distributed Generation</u>				
37	Current Period		-	kW
		Previous Filing, Schedule 3, Line 39, Column		
38	Prior Period kW DG losses	C	-	kW
		(Previous Filing, Schedule 3, Line 39, Column		
39	Cumulative Recoverable kW savings	C + Line 37)	-	kW
40	Total Recoverable DG Savings	Line 39	-	kW
41	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 9, Column C	\$ 2.3901	\$/kW
42	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 40 * Line 41)	\$ -	
Large General Service - Delivery Revenue				
<u>Energy Efficiency Savings</u>				
43	Current Period		-	kWh
		Previous Filing, Schedule 3, Line 45, Column		
44	Prior Period kWh EE losses	C	-	kWh
		(Previous Filing, Schedule 3, Line 45, Column		
45	Cumulative Recoverable kWh savings	C + Line 43)	-	kWh
46	Total Recoverable EE Savings	Line 45	-	kWh
47	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 0.0042	\$/kWh
48	Large General Service - Lost Fixed Cost Revenue Relating to EE	(Line 46 * Line 47)	\$ -	
<u>Distributed Generation</u>				
49	Current Period		-	kWh
		Previous Filing, Schedule 3, Line 51, Column		
50	Prior Period kWh DG losses	C	-	kWh
		(Previous Filing, Schedule 3, Line 51, Column		
51	Cumulative Recoverable kWh savings	C + Line 49)	-	kWh
52	Total Recoverable DG Savings	Line 51	-	kWh
53	Large General Service - Lost Fixed Cost Rate	Schedule 4, Line 12, Column C	\$ 0.0042	\$/kWh
54	Large General Service - Lost Fixed Cost Revenue Relating to DG	(Line 52 * Line 53)	\$ -	
55	Total Lost Fixed Cost Revenue	Sum Line 9 + 18 + 24 + 30 + 36 + 42 + 48 + 54	\$ -	

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 4: LFCR Test Year Rate Calculation
(\$000)

Line No.	(A) LFCR Fixed Cost Calculation	(B) Reference	(C) Total
Residential Customers			
1	Delivery Revenue	Schedule 5, Line 5, Column F	\$ 111,739,643
2	kWh Billed	Forecasted	3,627,093,708
3	Lost Fixed Cost Rate	Line 1/Line 2	\$ 0.0308
Small General Service			
4	Delivery Revenue	Schedule 5, Line 8, Column F	\$ 63,186,286
5	kWh Billed	Forecasted	2,012,114,954
6	Lost Fixed Cost Rate	Line 4/Line 5	\$ 0.0314
Large General Service			
7	Delivery Revenue - Demand	Schedule 5, Line 13, Column F	\$ 8,172,790
8	kW Billed	Forecasted	3,419,489
9	Lost Fixed Cost Rate	Line 7/Line 8	\$ 2.3901
Large General Service			
10	Delivery Revenue	Schedule 5, Line 16, Column F	\$ 5,319,772
11	kWh Billed	Forecasted	1,261,678,481
12	Lost Fixed Cost Rate	Line 10/Line 11	\$ 0.0042

Tucson Electric Power
Lost Fixed Cost Recovery Mechanism
Schedule 5: Delivery Revenue Calculation
(\$000)

(A)	(B)	(C)	(D)	(E)	(F)	
Line No.	Rate Schedule	Adjusted Test Year Billing Determinants	Units	Delivery Charge	Demand Stability Factor	Total Delivery Revenue
1	Residential Service (R-01)	3,368,532,306	kWh	\$ 0.0314	100%	\$ 105,811,858
2	Residential Service (R-80)	116,359,255	kWh	\$ 0.0229	100%	\$ 2,664,627
3	Residential Service (R-201AN)	131,427,481	kWh	\$ 0.0230	100%	\$ 3,016,454
4	Residential Service (R-201BN)	10,774,668	kWh	\$ 0.0229	100%	\$ 246,705
5	Subtotal - kWh	3,627,093,708	kWh	\$		\$ 111,739,643
6	Small General Service (GS-10)	1,888,524,435	kWh	\$ 0.0314	100%	\$ 59,326,481
7	Small General Service (SGS-76)	123,590,518	kWh	\$ 0.0312	100%	\$ 3,859,805
8	Subtotal - kWh	2,012,114,954	kWh			\$ 63,186,286
9	Large General Service (LGS-13) - kW	2,719,841	kW	\$ 5.13	50%	\$ 6,976,392
10	Large General Service (LGS-85) - kW	699,648	kW	\$ 3.42	50%	\$ 1,196,398
11	Subtotal - kW - Demand	3,419,489	kW			\$ 8,172,790
12	Large General Service (LGS-13)	1,045,063,814	kWh	\$ 0.0049	100%	\$ 5,071,019
13	Large General Service (LGS-85)	216,614,667	kWh	\$ 0.0011	100%	\$ 248,753
14	Subtotal - kWh - Delivery	1,261,678,481	kWh			\$ 5,319,772

EXHIBIT

DJD-4



Tucson Electric Power

Tucson Electric Power
Company
Rules and Regulations

Tucson Electric Power Company
Rules and Regulations

Original Sheet No.: 900
Superseding:

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APPLICABILITY OF RULES AND REGULATIONS AND DESCRIPTION OF SERVICE

- A. Tucson Electric Power Company ("Company") is an electric utility operating within portions of the state of Arizona. The Company will provide service to any person, institution or business located within its service area in accordance with the provisions of its ~~Pricing Plan~~Rates and the terms and conditions of these Rules and Regulations.
- B. All electricity delivered to any Customer is for the sole use of that Customer on that Customer's premises only. Electricity delivered by the Company will not be redelivered or resold, or the use thereof by others permitted unless otherwise expressly agreed to in writing by the Company. However, those Customers purchasing electricity for redistribution to the Customer's own tenants (only on the Customer's premises) may separately meter each tenant distribution point for the purpose of prorating the Customer's actual purchase price of electricity delivered among the various tenants on a per unit basis.
- C. These Rules and Regulations will apply to all electric service furnished by the Company to its Customers.
- D. These Rules and Regulations are part of the Company's ~~Pricing Plan~~Rates on file with, and duly approved by, the Arizona Corporation Commission. These Rules and Regulations will remain in effect until modified, amended, or deleted by order of the ACC. No employee, agent or representative of the Company is authorized to modify the Company Rules.
- E. These Rules and Regulations will be applied uniformly to all similarly situated Customers.
- F. In case of any conflict between these Rules and Regulations and the ACC's rules, these Rules and Regulations will apply.
- G. Whenever the Company and an Applicant or a Customer are unable to agree on the terms and conditions under which the Applicant or Customer is to be served, or are unable to agree on the proper interpretation of these Rules and Regulations, either party may request assistance from the Consumer Services Section of the Utilities Division of the ACC. The Applicant or Customer also has the option to file an application with the ACC for a proper order, after notice and hearing.
- H. The Company's supplying electric service to the Customer and the acceptance thereof by the Customer will be deemed to constitute an agreement by and between the Company and the Customer for delivery, acceptance of and payment for electric service under the Company's Rules and Regulations and applicable ~~Pricing Plan~~Rates.

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- A. In these Rules and Regulations, the following definitions will apply unless the context requires otherwise:
1. Applicant: A person requesting the Company to supply electric service.
 2. Application: A request to the Company for electric service, as distinguished from an inquiry as to the availability or charges for this service.
 3. Arizona Corporation Commission ("ACC" or "Commission"): The regulatory authority of the State of Arizona having jurisdiction over public service corporations operating in Arizona hereinafter referred to as the "Commission."
 4. Billing Month: The period between any two regular readings of the Company's meters at approximately thirty (30) day intervals.
 5. Billing Period: The time interval between two consecutive meter readings taken for billing purposes.
 6. Company: Tucson Electric Power Company acting through its duly authorized officers or employees within the scope of their respective duties.
 7. Competitive Services: All aspects of retail service except those services specifically defined as "Non-competitive Services" pursuant to R14-2-1601(27) of the ACC-approved Competition Rules, or noncompetitive services as defined by the Federal Energy Regulatory Commission.
 8. Connected Load: The sum of the power rating of the Customer's electrical apparatus connected to the Company's system.
 - 8.9. Contiguous Site: A single site not separated by private or public property, or public street, or right of way and operated as one integral unit under the same name and as a part of the same business.
 10. Contributions in Aid of Construction ("Contribution"): Funds provided to the Company by the Applicant under the terms of a line extension agreement and/or service connection ~~Pricing Plan~~Rate, the value of which is not refundable.
 11. Customer: The person(s) or entity(ies) in whose name service is rendered, as evidenced by the request for electric service by the Applicant(s), or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
 12. Customer Charge: The amount the Customer must pay the Company for the availability of electric service, excluding any electricity used, as specified in the Company's ~~Pricing Plan~~Rates.
 13. Day: Calendar Day

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

~~Tariff No.~~Effective:

Rules &
Regulations Pending
July 25, 2014

Title: ~~Senior Vice President of Finance and Rates and~~
~~General Counsel~~

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14. Demand: The rate at which power is delivered during any specified period of time. Demand may be expressed in kilowatts, kilovolt-amperes, or other suitable units.
15. Disabled: A person with a physical or mental condition which substantially contributes to the person's inability to manage his or her own resources, carry out daily living activities, or protect oneself from neglect or hazardous situations without assistance from others.
16. Distribution Lines: The Company's lines operated at distribution voltage, which are constructed along public roadways or other bona fide rights-of-way, including easements on Customer's property.
17. Elderly: A person who is 65 years of age or older.
- 17.18. Electronic Billing: Optional billing service whereby Customers may elect to receive, view and pay their bills electronically.
19. Energy: Electric energy, expressed in kilowatt-hours.
20. Illness: A medical ailment or sickness for which a residential Customer obtains a verified document from a licensed medical physician stating the nature of the illness and that discontinuance of service would be especially dangerous to the Customer's health.
21. Inability to Pay: Circumstances in which a residential Customer:
 - a. Is not gainfully employed and unable to pay; or
 - b. Qualifies for government welfare assistance, but has not begun to receive assistance on the date he receives his bill and can obtain verification of that fact from the government welfare assistance agency;
 - c. Has an annual income below the published federal poverty level and can produce evidence of this; and
 - d. Signs a declaration verifying that the Customer meets one of the above criteria and is either elderly, handicapped, or suffers from illness.
- 22.21. Interruptible Electric Service: Electric service that is subject to interruption as specified in the Company's Pricing PlanRate.
- 23.22. Kilowatt ("kW"): A unit of power equal to 1,000 watts.
- 24.23. Kilowatt-Hour ("kWh"): The amount of electric energy delivered in one hour at a constant rate of one kilowatt.
- 25.24. Law: Any statute, rule, order or requirement established and enforced by government authorities.

Filed By:	Raymond S. HeymanKentton C. Grant	Tariff No. Effective:	Rules & Regulations Pending
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26-25. Line Extension: The lines and equipment necessary to extend the electric distribution system of the Company to provide service to additional Customers.

27-26. Long-Term Rental Mobile Home Park: A park which is finish-graded and has permanently paved roadways, sewer and water connections, and which provides rental spaces to permanent and semi-permanent occupants of mobile homes which are owned either by the occupant or by other persons.

28-27. Master Meter: A meter for measuring or recording the flow of electricity at a single location before distribution to tenants or occupants for their individual usage.

29-28. Megawatt ("MW"): Unit of power equal to 1,000,000 watts.

30-29. Meter: The instrument and any associated equipment used for measuring, indicating or recording the flow of electricity that has passed through it.

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- ~~31-30.~~ Meter Tampering: A situation in which a meter has been illegally altered, including, but not limited to: meter bypassing; use of magnets to slow the meter recording; and broken meter seals.
- ~~32-31.~~ Minimum Charge: The amount the Customer must pay for the availability of electric service, including an amount of usage, as specified in the Company's Pricing Plan~~Rates~~.
- ~~33-32.~~ Month: The period between any two (2) regular readings of the Company's meters at approximately thirty (30) day intervals.
- ~~34-33.~~ On-site Generation: Any and all power production generated on or adjacent to a Customer's property that is controlled, utilized, sold, or consumed by said Customer or its agent.
- ~~35-34.~~ Pad Mounted Elbow Switchgear Cabinet ("PME Switchgear Cabinet"): A 3-phase pad mounted switchgear used within an underground distribution system.
- ~~36-35.~~ Permanent Customer: A Customer who is a tenant or owner of a service location who applies for and receives permanent electric service.
- ~~37-36.~~ Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature.
- ~~38-37.~~ Person: Any individual, partnership, firm, corporation, governmental agency, or other organization operating as a single entity.
- ~~39-38.~~ Point of Delivery: In all cases, unless otherwise specified, "point of delivery" is the location on the Customer's building, structure, or premises where all wires, conductors, or other current-carrying devices of the Customer join or connect with wires, conductors, or other current-carrying devices of the Company. The Company will determine the Location of the point of delivery will be determined by the Company in conformity in accordance and based on the specific design specifications, relevant and appropriate technical with its standards and specifications, rate schedules and construction standards as applicable to the specific situation as they exist from time to time. Location and type of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery.
- ~~40-39.~~ Power: The rate of generating, transferring and/or using electric energy, usually expressed in kilowatts.
- ~~41-40.~~ Power Factor: The ratio of real or active power ("kW") to apparent or reactive power ("kVA").
- ~~42-41.~~ Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

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43. Pricing Plan Rates: A part of the Company's Tariffs that sets forth the rates and charges related to specific categories of Customers and related terms and conditions. The charge(s), related term(s) and conditions of the Company's tariffs.

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44.42. Primary Service and Metering: Service supplied directly from the Company's high voltage distribution or transmission lines without prior transformation to a secondary level.

43. Rates: The charge(s), related term(s) and conditions of the Company's tariffs.

45.44. Residential Subdivision Development: Any tract of land which has been divided into six or more contiguous lots with an average size of one acre or less for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

46.45. Residential Use: Service to Customers using electricity for domestic purposes such as space heating, air conditioning, water heating, cooking, clothes drying, and other residential uses, including use in apartment buildings, mobile home parks, and other multi-unit residential buildings.

47.46. Rules and Regulations or Company Rules: These Rules and Regulations that are part of the Company's Tariffs and Pricing Plan Rates.

48.47. Secondary Service: Service supplied at secondary voltage levels from the load side of step-down transformers connected to the Company's high voltage distribution lines.

49.48. Service Area: The territory in which the Company has been granted a certificate of convenience and necessity and is authorized by the Commission to provide electric service.

50.49. Service Classifications: Service classifications will be those provided by the filed rate schedules.

51.50. Service Drop: The overhead service conductors from the last Company-owned pole or other aerial support to and including the splices, if any, connecting to the Customer's service entrance conductors at a building or other structure.

52.51. Service Establishment Charge: The charge as specified in the Company's Pricing Plan Rates which covers the cost of establishing a new account.

53.52. Service Lateral: The underground service conductors between the street main, including any risers at a pole or other structure or from transformers, and the first point of connection to the Customer's service entrance conductors in a terminal box or meter or other enclosure with adequate space, inside or outside the building wall.

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54.53. Service Line: The last line extending from a distribution line or transformer to the Customer's premises or point of delivery.

55.54. Service Point: Unless otherwise stated, all references to "service point" in this agreement will refer to an installed service, identified by a Universal Node Identifier ("UNI").

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- ~~56-55.~~ Service Reconnection Charge: The charge as specified in the Company's ~~Pricing Plan~~ Rates which must be paid by the Customer prior to reestablishment of electric service each time the electricity is disconnected for nonpayment or whenever service is otherwise discontinued for failure to comply with the Company's ~~Pricing Plan~~ Rates or Rules and Regulations.
- ~~57-56.~~ Service Reestablishment Charge: A charge as specified in the Company's ~~Pricing Plan~~ Rates for service at the same location where the same Customer had ordered a service disconnection within the preceding twelve-month period.
- ~~58-57.~~ Single Family Dwelling: A house, apartment, or a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
- ~~59-58.~~ Single-Phase Service: Three (3) wire service (usually 120/240 volts).
- ~~60-59.~~ Tariffs: ~~The documents filed with the Commission which list the services offered by the Company which set forth the terms and conditions and a schedule of the rates and charges for those services. The terms and conditions of the services offered by the Company, including a schedule of the rates and charges for those services.~~
- ~~61-60.~~ Temporary Service: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.
- ~~62.~~ Third Party Notification: ~~A notice of pending discontinuance of service to a Customer of record sent to an individual or a public entity in order to make satisfactory arrangements with the Company on behalf of said Customer.~~
- ~~63-61.~~ Three-Phase Service: Four (4) wire service (usually 120/208 volts).
- ~~64-62.~~ Universal Node Identifier ("UNI"): A unique, permanent identification number assigned to each service point of delivery.
- ~~65-63.~~ Weather Especially Dangerous to Health: That period of time commencing with the scheduled termination date when the local weather forecast, as predicted by the National Oceanic and Atmospheric Administration, indicates that the temperature will not exceed 32 degrees Fahrenheit for the next day's forecast.

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**SECTION 3
ESTABLISHMENT OF SERVICE**

A. Information from New Applicants

1. The Company may obtain the following minimum information from each new application for service:
 - a. Name or names of Applicant(s);
 - b. Service address or location and telephone number;
 - c. Billing address and telephone number, if different than service address;
 - d. Social security number or Driver's License number and date of birth to be consistent with verifiable information on legal identification;
 - e. Address where service was provided previously;
 - f. Date Applicant will be ready for service;
 - g. Whether premises had been supplied with electric service previously;
 - h. Purpose for which service is to be used;
 - i. Whether Applicant is owner or tenant of, or agent for the premises;
 - j. Information concerning the energy and demand requirements of the Customer; and
 - k. Type and kind of life-support equipment, if any, used by the Customer.
2. The supplying of electric service by the Company and the acceptance of that electric service by the Customer will be deemed to constitute an agreement by and between the Company and the Customer for delivery, acceptance of and payment for electric service under the Company's applicable Pricing Plan Rates and Rules and Regulations.
3. The term of any agreement not otherwise specified will become operative on the day the Customer's installation is connected to the Company's facilities for the purpose of taking electric energy.
4. The Company may require a written contract with special guarantees from Applicants whose unusual characteristics of load or location would require excessive investment in facilities or whose requirements for service are of a special nature.
5. Signed contracts may be required for service to commercial and industrial establishments. Neither these contracts, nor any modifications to these contracts, will be binding upon the Company until executed by a duly authorized representative of the Company.
6. Where service is rendered to two (2) or more Customers whose names appear on the bill, as evidenced on the bill, the Company will have the right to collect the full amount owed it from any one of the Customers.



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6-7. Where an occupant of the premises who owes a debt to the Company, but is not the Applicant or the Customer, the occupant shall also be jointly and severally liable for the bills rendered to the premises.

B. Deposits

1. The Company may require from any present or prospective Customer a deposit to guarantee payment of all bills. This deposit may be retained by the Company until service is discontinued and all bills have been paid, except as provided in Subsection 3.B.3 below. Upon proper application by the Customer, the Company will then return said deposit, together with any unpaid interest accrued thereon from the date of commencement of service or the date of making the deposit, whichever is later. The Company will be entitled to apply said deposit together with any unpaid interest accrued thereon, to any indebtedness for the same class of service owed to the Company for electric service furnished to the Customer making the deposit. When said deposit has been applied to any such indebtedness, the Customer's electric service may be discontinued until all such indebtedness of the Customer is paid and a like deposit is again made with the Company by the Customer. No interest will accrue on any deposit after discontinuance of the service to which the deposit relates.

The Company will not require a deposit from a new Applicant for residential service if the Applicant is able to meet any of the following requirements:

- a. The Applicant has had service of a comparable nature with the Company at another service location within the past two (2) years and was not delinquent in payment during the last twelve (12) consecutive months of service or was not disconnected for nonpayment; or
 - b. The Applicant can produce a letter of regarding credit or verification from an electric utility where service of a comparable nature was last received which states that the Applicant has had a timely payment history at time of service discontinuation; or
 - c. Instead of a deposit, the Company receives deposit guarantee notification from a social or governmental agency acceptable to the Company. A surety bond may be provided as security for the Company in an amount equal to the required deposit.
2. The Company may issue a non-assignable, non-negotiable receipt to the Applicant for the deposit. The inability of the Customer to produce his or her receipt will in no way impair the Customer's right to receive a refund of the deposit that is reflected on the Company records.

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~~2.3.~~ Cash deposits held by the Company twelve (12) months or longer will earn interest at the established one-year Treasury constant maturities rate, effective on the first business day of each year, as published on the Federal Reserve website.

a. Residential Customers – Deposits or other instruments of credit will automatically expire or be refunded or credited to the Customer's account, after twelve (12) consecutive months of service during which time the Customer has not been delinquent more than two (2) times in a twelve-month period.

b. ~~Non-Residential Customers~~ All – Upon Deposits or other instruments of credit will automatically expire or be refunded or credited to the Customer's account after twenty-four (24) months of service during which the Customer has not been delinquent more than two (2) times or disconnected for non-payment in the most recent twelve (12) month period.

~~4.~~ final discontinuance of the use of the service and full settlement of all bills by the Customer, any deposit, not previously refunded, with accrued interest, if any, in accordance with the provisions of these Rules and Regulations will be returned to the Customer or, at the Company election, it may be applied to the payment of any unpaid accounts of the Customer and the balance, if any, returned to the Customer.

~~3.~~ The Company may require a Customer to establish or reestablish a deposit if the Customer became delinquent in the payment of three (3) or more bills within a twelve (12) consecutive month period, or has been disconnected from service during the last twelve (12) months, or the Company has a reasonable belief that the Customer is not credit worthy based on a rating from a credit agency utilized by the Company.

~~4.5.~~ The Company may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage.

~~5.6.~~ A separate deposit may be required for each meter installed.

~~6.7.~~ Residential Customer deposits will not exceed two (2) times that Customer's estimated average monthly bill. Non-residential Customer deposits will not exceed two and one-half (2.5) times that Customer's maximum estimated monthly bill. If actual usage history is available, then that usage, adjusted for normal weather, will be the basis for the estimate.

~~7.8.~~ The posting of a deposit will not preclude the Company from terminating service when the termination is due to the Customer's failure to perform any obligation under the agreement for service or any of these Rules and Regulations.

C. Conditions for Supplying Service

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The Company reserves the right to determine the conditions under which service will be provided. Conditions for service and extending service to the Customer will be based upon the following:

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1. Customer has wired his premises in accordance with the National Electric Code, City, County and/or State codes, whichever are applicable.
2. If the Company determines that there is a reasonable basis to believe that the Customer's premises poses a safety risk to Company employees, then the Company may, at its option, install a meter or facilities with remote connect and/or disconnect capabilities.
3. Customer has installed the meter loop in a suitable location approved by the Company.
4. In the case of a mobile home, the meter loop must be attached to a meter pole or to an approved support.
5. In case of temporary construction service, the meter loop must be attached to an approved support.
6. All meter loop installations must be in accordance with the Company's specifications and located at an outdoor location accessible to the Company.
7. Individual Customers may be required to have their property corner pins and/or markers installed to establish proper right-of-way locations.
8. Developers must have all property corner pins and/or markers installed necessary to establish proper locations to supply electric service to individual lots within subdivisions.
9. Where the installation requires more than one meter for service to the premises, each meter panel must be permanently marked (not painted) by the contractor or Customer to properly identify the portion of the premises being served.
10. The identification will be the same as the apartment, office, etc., served by that meter socket. The identifying marking placed on each meter panel will be impressed into or raised from a tab of aluminum, brass or other approved non-ferrous metal with minimum one-fourth (1/4) inch-high letters. This tag must be riveted to the meter panel. The impression must be deep enough to prevent the identification(s) from being obscured by subsequent painting of the building and attached service equipment.
11. The Company may require the assistance of the Customer and/or the Customer's contractor to open the apartments or offices at the time the meters are set, in order to verify that each meter socket actually serves the apartment or office indicated by the marking tag. In the case of multiple buildings, the building or unit number and street address will be identified on the pull section in the manner described above.

Filed By: Raymond S. HeymanKentton C. Grant

~~Tariff No.~~Effective:

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July 25, 2011

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General Counsel

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D. Grounds for Refusal of Service

The Company may refuse to establish service if any of the following conditions exist:

1. When (The Applicant has an outstanding amount due for the same class of service with the Company and the Applicant is unwilling to make satisfactory arrangements with the Company for payment, in such cases, the Company shall be entitled to transfer the balance due on the terminated service to any other active account of the Customer for the same class of service. The failure of the Customer to pay the active account shall result in the suspension or termination of service.
2. A condition exists which in the Company's judgment is unsafe or hazardous to the Applicant, the general population, or the Company's personnel or facilities.
3. Refusal by the Applicant to provide the Company with a deposit when the Customer has failed to meet the credit criteria for waiver of deposit requirements.
4. Customer is known to be in violation of the Company's ~~Pricing Plan~~Rates filed with and approved by the Commission.
5. Failure of the Customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the Customer and which have been specified by the Company as a condition for providing service.
6. Customer fails to provide safe access to the meter that would be serving the Customer.
7. Applicant falsifies his or her identity for the purpose of obtaining service.
8. Service is requested by an Applicant and a prior Customer, who is either living with the Applicant, or who is an occupant of the premises who owes a debt to the Company from the same class of service from the same or a prior service address.
9. The Applicant is acting as an agent for a prior Customer who is deriving benefits from the energy supplied and who owes a delinquent bill from the same class of service from the same or a prior service address.
- 7.10. There is evidence of tampering or energy diversion.

E. Service Establishment, Reestablishment and Reconnection Charge

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ESTABLISHMENT OF SERVICE
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1. The Company will make a charge, as approved by the Commission for service ~~transfer~~ establishment or reestablishment for ~~meter~~ service reads only as set forth as Fee No. 1 in the TEP Statement of Additional Charges.
- 1.2. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for single-phase service only during regular business hours as set forth as Fee No. 7 in the TEP Statement of Additional Charges.
- 2.3. Should single-phase service be established or reestablished during a period other than regular working hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection as set forth as Fee No. 8 in the TEP Statement of Additional Charges. Where Company scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or his/her service will be established on the next available business day set forth as Fee No. 11 in the TEP Statement of Charges. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection outside of regular business hours.
- 3.4. The Company will make a charge, as approved by the Commission for service establishment or reestablishment other than service reads under usual operating procedures, for three-phase service only, during regular business hours as set forth as Fee No. 9 in the TEP Statement of Additional Charges.
- 4.5. Should three-phase service be established or reestablished during a period other than regular working hours at the Customer's request, the Customer will be required to pay an after-hours charge for the service connection as set forth as Fee No. 10 in the TEP Statement of Additional Charges. Where Company scheduling will not permit service establishment on the same day as requested, the Customer may elect to pay the after-hours charge for establishment that day or his/her service will be established on the next available business day. Even so, a Customer's request to have the Company establish service after-hours is subject to the Company having Staff available; there is no guarantee that the Company will have the staffing available for service establishment, reestablishment or reconnection outside of regular business hours.
- 5.6. For the purpose of this rule, the definition of service establishment is where the Applicant's facilities are ready and acceptable to the Company, the Applicant has obtained all required permits and/or inspections indicating that the Applicant's facilities comply with local construction safety and governmental standards and regulations, and the Company needs only to install a meter, read a meter, or turn the service on.
- 6.7. Reconnection Charge: Whenever the Company has discontinued service under its usual operating procedures because of any default by the Customer as provided herein, a reconnection charge not to exceed one of the charges for the reestablishment of service as set forth as Fee Nos. 7-10 in the TEP Statement of Additional Charges will be made and may be collected by the Company before service is restored. When, due to the behavior of the Customer, it has been necessary to discontinue service utilizing other than usual operating

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procedures, the Company will be entitled to charge and collect, through verifiable means, actual costs to restore service as set forth in the TEP Statement of Charges.

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F. Temporary Service

1. Applicants for temporary service ~~may will be required to pay the Secondary Service Charge~~ Line Extension charges as set forth in the Statement of Additional Charges in accordance with Section 7.C.3.7.d.
- 1.2. Where duration of service is to be less than one month, the Applicant may also be required to advance a sum of money equal to the estimated bill for service.
- 2.3. Where the duration of service is to exceed one month, the Applicant may also be required to meet the deposit requirements of the Company.

G. Identification of Load and Premises: Upon request of the Company, the Applicant must identify the electric load and premises to be served by the Company at the time of application. If the service address is not recognized in terms of commonly-used identification system, the Applicant may be required to provide specific written directions and/or legal descriptions before the Company will be required to act upon a request for electric service.

H. Identification of Responsible Party: Any person applying on behalf of another Applicant for service to be connected in the name of or in care of another Applicant must furnish to the Company written approval from that Applicant guaranteeing payment of all bills under the account. The Customer is responsible in all cases for service supplied to the premises until the Company has received proper notice of the effective date of any change. The Customer will also promptly notify the Company of any change in physical or electronic billing address.

I. Tampering With or Damaging Company Equipment

1. The Customer agrees, when accepting service that no one except authorized Company employees or agents of the Company will be allowed to remove or replace any Company-owned equipment installed on Customer's property.
2. No person, except an employee or agent acting on behalf of the Company will alter, remove, or make any connection to the Company's meter or service equipment.
3. No meter seal may be broken or removed by anyone other than an employee or agent acting on behalf of the Company; however, the Company may give its prior consent to break the seal by an approved electrician employed by a Customer when deemed necessary by the Company.

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4. The Customer will be held responsible for any broken seals, tampering, or interfering with the Company's meter(s) or any other Company-owned equipment installed on the Customer's premises. In cases of tampering with meter installations, interfering with the proper working thereof, or any tampering, interfering, theft, or service diversion, including the falsification of Customer-read meter readings, Customer will be subject to immediate discontinuance of service. The Company will be entitled to collect from the Customer whose name the service is in, under the appropriate rate, for all power and energy not recorded on the meter as the result of such tampering, or other theft of service, and also additional security deposits as well as all expenses incurred by the Company for property damages, investigation of the illegal act, and all legal expenses and court costs incurred by the Company.
5. The Customer will be held liable for any loss or damage occasioned or caused by the Customer's negligence, want of proper care or wrongful act or omission on the part of any Customer's agents, employees, licensees or contractors.

J. Access

1. The Customer is responsible for providing safe access to Company facilities. The Company's authorized agents shall have satisfactory unassisted twenty-four (24) hour a day, seven (7) days a week access to the Company's equipment located on Customer's premise for the purpose of repair and service restoration work that the Company may need to perform.
2. If additional resources are required to gain safe access to perform service establishment, disconnection, meter reading, or routine maintenance, due to an affirmative, wrongful, and/or criminal act by the Customer, the Company will be entitled to collect from the Customer all expenses incurred by the Company for additional resources including: investigation of access, all legal expenses, and court costs.

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**SECTION 4
MINIMUM CUSTOMER INFORMATION REQUIREMENTS**

A. Information for Customers

1. The Company will make available upon Customer request not later than sixty (60) days from the date of the request, a concise summary of the rate schedule applied for by the Customer. The summary will include the following:
 - a. The monthly minimum or Customer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable;
 - b. Rate blocks, where applicable;
 - c. Any adjustment factor(s) and method of calculation; and
 - d. Demand charge, where applicable.
2. Upon request of the Customer, either at the time of application or after, the Company will use its best efforts to assist the Customer in choosing an appropriate Rate. However, upon application for service or upon request for assistance, the Applicant or the Customer will elect the applicable Pricing PlanRate best suited to his requirements. The Company may assist in making this election, but will not be held responsible for notifying the Customer of the most favorable Pricing PlanRate and will not be required to refund the difference in charges under different Pricing PlanRates. The Customer is solely responsible for selecting the Rate the Customer believes is appropriate. If no Rate is selected, the Customer will be placed on the most common Rate for the class of service and the Company will not be liable to refund the difference in charges had the Customer been placed on different Rates.
3. Upon written notification of any material changes in the Customer's installation or load conditions, the Company will assist in determining if a change in Pricing PlanRates is desirable, but not more than one (1) such change at the Customer's request will be made within any twelve-month period.
4. The supply of electric service under a residential rate schedule to a dwelling involving some business or professional activity will be permitted only where such activity is of only occasional occurrence, or where the electricity used in connection with such activity is small in amount and used only by equipment which would normally be in use if the space were used as living quarters. Where the portion of a dwelling is used regularly for business, professional or other gainful purposes, and any considerable amount of electricity is used for other than domestic purposes, or electrical equipment not normally used in living quarters is installed in connection with such activities referred to above, the entire premises must be classified as non-residential and the appropriate general service Pricing PlanRate will be applied.

Filed By: Raymond S. HeymanKentton C. Grant

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5. Upon Customer request the Company will make available within sixty (60) days from date of service commencement, a concise summary of the Company's Pricing Plan Rates or the Commission's Rules and Regulations concerning:
 - a. Deposits;
 - b. Termination of service;
 - c. Billing and collection; and
 - d. Complaint handling.
6. Upon request of a Customer, the Company will transmit a written statement of actual consumption for each billing period during the prior twelve (12) months unless this data is not reasonably ascertainable. But the Company will not be required to accept more than one such request from each Customer in a calendar year. Even so, the Company will charge a fee consistent with its ACC-approved Pricing Plan Rates and/or these Rules and Regulations for providing consumption, interval or other data to the Customer.
7. The Company will inform all new Customers of their right to obtain the information specified above.

B. Information Required Due to Changes in Pricing Plan Rates

1. The Company will transmit to affected Customers a concise summary of any change in the Company's Pricing Plan Rates affecting those Customers.
2. This information will be transmitted to the affected Customer within sixty (60) days of the effective date of the change.

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**SECTION 5
MASTER METERING**

A. Mobile Home Parks - New Construction/Expansion

1. The Company will refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion are individually metered by the Company. Line extensions and service connections to serve this new construction and/or expansion will be governed by these Rules and Regulations.
2. For the purpose of this rule, permanent residential mobile home parks will mean mobile home parks where, in the opinion of the Company, the average length of stay for an occupant is a minimum of six months.
3. For the purpose of this rule, expansion means the acquisition of additional real property for permanent residential spaces in excess of that existing at the effective date of this rule.

B. Residential Apartment Complexes, Condominiums, and other Multi-unit Residential Buildings

1. Master metering will not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the Company an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship.
2. At a minimum, the cost/benefit analysis will consider the following elements for a central unit as compared to individual units:
 - a. Equipment and labor costs;
 - b. Financing costs;
 - c. Maintenance costs;
 - d. Estimated kWh usage;
 - e. Estimated kW demand on a coincident demand and non-coincident demand basis (for individual units);
 - f. Cost of meters and installation; and
 - g. Customer accounting cost (one account vs. several accounts).

Filed By: Raymond S. HeymanKentton C. Grant

Title: Senior Vice President of Finance and Ratesand
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**SECTION 6
SERVICE LINES AND ESTABLISHMENTS**

A. Priority and Timing of Service Establishments

1. After an Applicant has complied with the Company's application requirements and has been accepted for service by the Company and obtained all required easements, permits and/or inspections indicating that the Customer's facilities comply with local construction, safety and governmental standards or regulations, the Company will schedule that Customer for service establishment.
2. All charges are due and payable before the Company will schedule the Customer for service establishment.
3. Service establishments will be scheduled for completion within five (5) business days of the date the Customer has been accepted for service, except in those instances when the Customer requests service establishment beyond the five (5) business day limitation.
4. When the Company has made arrangements to meet with a Customer for service establishment purposes and the Company or the Customer cannot make the appointment during the prearranged time, the Company will reschedule the service establishment to the satisfaction of both parties.
5. The Company will schedule service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the Customer.
6. Service establishments must only be made by the Company.
7. For the purposes of this rule, service establishments are where the Customer's facilities are ready and acceptable to the Company and the Company needs only to install or read a meter or turn the service on.

B. Service Lines

1. Customer-provided Facilities

- a. Each Applicant for service will be responsible for all inside wiring, including the service entrance, meter socket and conduit. For three-phase service, the Customer will provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery.
- b. Meters and service switches in conjunction with the meter must be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection and where such activities will cause the least interference and inconvenience to the Customer. Location of metering facilities will be determined by the Company and may or may not be at the same location as the point of delivery. However, the meter locations will not be on the front exterior wall of the home, or in the carport or garage, unless mutually agreed to between the home builder or Customer and the Company. Without cost to the Company, the Customer must provide, at a suitable and easily accessible location, sufficient and proper space for installation of meters.

Filed By: Raymond S. Heyman/Kentton C. Grant

Tariff No./Effective:

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- c. Where the meter or service line location on the Customer's premises is changed at the request of the Customer or due to alterations on the Customer's premises, the Customer, at his expense, must provide and have installed all wiring and equipment necessary for relocating the meter and service line connection. The Company will assess a charge for moving the meter and/or service line.
 - d. Customer will provide access to the main switch or breaker for disconnecting load to enable safe installation and removal of Company meters.
2. Overhead Service Connections - Secondary Service
- a. For the initial service drop: where the Company's distribution pole line is located on the Customer's premises, or on a street, highway, lane, alley, road or private easement immediately contiguous thereto, the Company will, at its own expense, furnish and install a single span of service drop line (up to 500 feet in total) from its pole to the Customer's point of attachment, provided such attachment is at the point of delivery and is of a type and so located that the service drop wires may be installed in a manner approved by the Company in accordance with good engineering practice, and in compliance with all applicable laws, ordinances, rules and regulations, including those governing clearance and points of attachment.
 - b. Whenever any of the clearances required by the applicable laws, ordinances, rules or regulations of public authorities or standards of the Company from the service drops to the ground or any object becomes impaired by reason of any changes made by the owner or tenant of the premises, the Customer will, at his own expense, provide a new and approved support, in a location approved by the Company, for the termination of the Company's service drop wires and will also provide all service entrance conductors and equipment necessitated by the change of location.
 - c. For each overhead service connection, the Customer will furnish, at his own expense, a set of service entrance conductors that will extend from the point of delivery at the point of termination of the Company's service drop on the Customer's support to the Customer's main disconnect switch. These service entrance conductors will be of a type and be in an enclosure which meets with the approval of the Company and any inspection authorities having jurisdiction.
 - d. The cost of any service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Additional Charges and will be treated as a contribution in aid of construction.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

~~Tariff No.~~ Effective:

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3. Underground Service Connections - Secondary Service

- a. In areas where the Company maintains an underground distribution system, individual services will be underground.
- b. Whenever the Company's underground distribution system is not complete to the point designated by the Company where the service lateral is to be connected to the distribution system, the system may be extended in accordance with Section 7.
- c. For an initial underground service connection of single-phase service, the Company will install a service lateral from its distribution line to the Customer's Company-approved termination facilities under the following conditions (unless otherwise agreed to by the Company and the Applicant):
 - i. The Customer, at his expense, will provide the necessary trenching, conduit, conduit installation, backfill, landscape restoration and paving and will furnish, install, own and maintain termination facilities on or within the building to be served.
- d. The Company, at its expense (up to 500 feet in total), will furnish, install, own, and maintain the underground single-phase service cables to the Customer's Company-approved termination facilities.
- e. The Company will determine the minimum size and type of conduit and conductor for the single-phase service. The Customer will furnish and install the conduit system, including pull ropes. The ownership of this conduit or duct will be conveyed to the Company, and the Company will thereafter maintain this conduit or duct. The maximum length of any service conductor will be determined by the Company in accordance with accepted engineering practice in determining voltage drop, voltage flicker, and other relevant considerations.
- f. The cost of any underground service line footage, in excess of that allowed at no charge, will be paid for by the Customer as set forth in the TEP Statement of Additional Charges and will be treated as a contribution in aid of construction.
- g. For three-phase service, the Customer will also provide, at his expense, all facilities, including conductors and conduit, beyond the Company-designated point of delivery

C. Easements and Rights-of-Way

1. At no cost to the Company, each Customer must grant adequate easements and rights-of-way satisfactory to the Company to ensure that Customer's proper service connection. Failure on the part of the Customer to grant adequate easements and rights-of-way will be grounds for the Company to refuse service.

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2. When the Company discovers that a Customer or his agent is performing work, has constructed facilities, or has allowed vegetation to grow adjacent to or within an easement or right-of-way and such work, construction, vegetation or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company will notify the Customer or his agent and will take whatever actions are necessary to eliminate the hazard, obstruction or violation at the Customer's expense.

D. Number of Services to be Installed

Unless otherwise provided herein, or in a rate schedule or contract, ~~The~~ Company will not install more than one service, either overhead or underground, for any one building or group of buildings on a single premise. ~~Except as separate services may be installed for separate buildings or group of buildings where necessary for the operating convenience of the Company, where provided for in Pricing Plan Rates, or where required by law or local ordinance.~~

E. Multiple Service Points

Unless otherwise expressly provided herein, or in a rate schedule or contract, any person, firm, corporation, agency or other organization or governmental body receiving service from the Company at more than one location or for more than one separately-operated business will be considered as a separate Customer at each location and for each business. If several buildings are occupied and used by a Customer in the operation of a single business, then the Company, upon proper application, will furnish service for the entire group of buildings through one service connection at one point of delivery, provided all of these buildings are at one location on the same lot or tract, or on adjoining lots or tracts forming a contiguous ~~plot site~~ (not separated by any public streets) wholly owned, or controlled, and occupied by the Customer in the operation of this single business. Dwelling units will be served, metered and billed separately, except at the option of the Company.

F. Temporary Service

For service that is temporary in nature or for operations of a speculative character or questionable permanency the Customer will be charged the cost of establishing and removing the temporary service.

Filed By: Raymond S. Heyman Kentton C. Grant

~~Tariff No Effective:~~

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SECTION 7
LINE EXTENSIONS

Introduction

The Company will construct, own, operate and maintain lines along public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained without cost to or condemnation by the Company.

A request for electric service often requires the construction of new distribution lines of varying distances. The distances and costs vary widely depending upon Customer's location and load size. With such a wide variation in extension requirements, it is necessary to establish conditions under which the Company will extend its electric facilities.

All extensions (single-phase, three-phase or feeder) are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension, as determined by the Company.

A standard policy has been adopted to provide service to Customers whose requirements are deemed by the Company to be ordinary in nature.

A. General Requirements

1. Upon an Applicant's request for a line extension, the Company will prepare, without charge, a preliminary electric design and a rough estimate of the cost of installation to be paid by said Applicant.
2. Any Applicant for a line extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within ninety (90) days after receipt of the deposit referred to above, these plans, specifications, or cost estimates of the proposed line extension. Where the Applicant authorizes the Company to proceed with construction of the extension, the deposit will be credited to the cost of construction; otherwise the deposit will be nonrefundable. If the extension is to include oversizing of facilities to be done at the Customer's expense, appropriate details will be set forth in the plans, specifications and cost estimates. Subdivision developers providing the Company with approved plats will be provided with plans, specifications, or cost estimates within forty-five (45) days after receipt of the deposit referred to above.
3. The Company will provide a copy of the line extension policy prior to the Applicant's acceptance of the utility's extension agreement.
4. All line extension agreements requiring payment by the Applicant will be in writing and signed by each party.

Filed By: Raymond S. Heyman Kentton C. Grant

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5. The provisions of this rule apply only to those Applicants who, in the Company's judgment, will be permanent Customers of the Company. Applications for temporary service will be governed by the Company's rules concerning temporary service applications. The Company reserves the right to delay the extension of facilities until the satisfactory completion of required site improvements, as determined by the Company, and an approved service entrance to accept electric service has been installed.

B. Minimum Written Agreement Requirements

1. Each line extension agreement will, at a minimum, include the following information:
- a. Name and address of Applicant(s);
 - b. Proposed service address or location;
 - c. Description of requested service;
 - d. Description and sketch of the requested line extension;
 - e. A cost estimate which includes a cost break down of materials, labor, and other costs as necessary;
 - f. Payment terms;
 - g. A concise explanation of any refunding provisions, if applicable;
 - h. The Company's estimated commencement and completion dates for construction of the line extension; and
 - i. A summary of the results of the economic feasibility analysis performed by the Company to determine the amount of advance required from the Applicant for the proposed line extension where applicable.
2. Each Applicant will be provided with a copy of the written line extension agreement.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

Title: ~~Senior Vice President of Finance and Rates and
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LINE EXTENSIONS
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C. Line Extension Requirements

1. Overhead Extensions to Individual Applicants

a. Line Extension Allowance

Upon the Applicant's satisfactory completion of required site improvements, the Company will make extensions from its existing facilities of proper voltage and adequate capacity at the Company's expense up to five hundred (500) feet except where excluded in Section 7.C.1.d. The distance of five hundred (500) feet is to be measured by the shortest feasible route along public streets, roads, highways, or suitable easements from the existing facilities to the Applicant's nearest point of delivery and inclusive of the service drop and is for initial site improvements, as determined by the Company, only.

b. Extensions in Excess of Line Extension Allowance Distance

The Company will make extensions in excess of five hundred (500) feet per Customer upon receipt of a non-interest bearing, refundable cash deposit with the Company to cover costs of construction computed at the rates shown in the TEP Statement of ChargesSection 18 (for voltages up to 14kV) for each foot of single-phase line extension or for each foot of three-phase line extension in excess of the allowance length and in accordance with Subsection 7.C.2.a.v. (unless otherwise agreed to by the Company and the Applicant).

The foregoing charges shown in the TEP Statement of ChargesSection 18 are based on the Company's current average cost of construction of 14kV distribution lines. The Company will review its costs periodically and will file a Pricing PlanRate revision when such costs have changed by more than ten percent (10%) since the last revision of costs. Such revisions will be subject to approval by the Commission before becoming effective.

The Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service.

c. Method of Refund

1. After a period of twelve (12) months from the date the Company is initially ready to render service from an extension, seventy-five percent (75%) of any revenue received from the Customer in excess of the footage allowance during that period will be applied toward refunding the line extension deposit.

Filed By: Raymond S. HeymanKentton C. Grant

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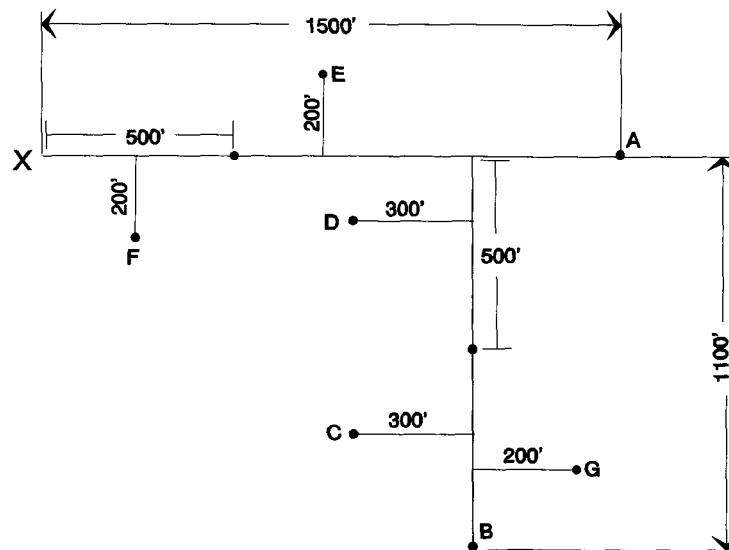
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2. Deposit refunds will be made to a depositor when separately metered Customers are served directly from the 14kV line extension originally constructed to serve said depositor, providing the new line extension is less than five hundred (500) feet in distance, and the Customer to be served occupies a permanent structure designed for continued occupancy for either residential or business purposes, meeting established municipal, county or state codes as applicable.

The amount of the deposit refund will be equal to the applicable TEP Statement of Charges Section 18 rates per foot multiplied by five hundred (500) feet less the actual footage of the new line extension required to serve the new Customer.

In no event will the total of the refund payments made by the Company to a depositor be in excess of the deposit amount advanced.

A pictorial explanation of the method of refund for a single-phase line extension is as follows:



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Applicant "A" – Customer makes refundable advance of \$20,530 for footage over 500' at \$20.53/foot.

Applicant "B" – Customer makes refundable advance of \$12,318 for footage over 500' at \$20.53/foot. No refund to A for B's connection because B is over 500'.

Applicant "C" – Customer gets line at no cost. Refund goes to B at \$20.53 x 200', or \$4,106.00 because C ties directly into B's line and is less than 500'.

Applicant "D" – Customer gets line at no cost. Refund goes to B at \$20.53 x 200', or \$4,106.00, because it ties directly into B's line and is less than 500'.

Applicant "E" – Customer gets line at no cost. Refund goes to A at \$20.53 x 300', or \$6,159.00 because E ties directly into A's line and is less than 500'.

Applicant "F" – Customer gets line at no cost. Refund goes to A at \$20.53 x 300', or \$6,159.00 because F ties directly into A's line and is less than 500'.

Applicant "G" – Customer gets line at no cost. Refund goes to B at \$20.53 x 300', or \$6,159.00; B receives \$4,106.00 since this is the remaining balance of the initial deposit.

Note: The dollars in the example above are illustrative. This method requires that: ai) The deposit advance made for an initial line extension cannot be refunded to the depositor unless a new line extension required to serve a new separately metered Customer is directly connected to the initial line extension; and ib) the new line extension is less than 500 feet in length.

- iii. Payment of eligible refunds will be made within ninety (90) days following receipt of notification to the Company that a qualifying permanent Customer has commenced receiving service from an extension.
- iv. A Customer may request an annual survey to determine if additional Customers have been connected to and are using service from the extension.
- v. After a period of six (6) years from the date the Company is initially ready to render service from an extension, the Company will review the deposit and make appropriate refunds then due, if any. Any unrefunded amount remaining thereafter will become the property of the Company and will no longer be eligible for refund and will become a contribution in aid of construction.

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d. Extensions to Large General Service and Large Light and Power Customers

- i. For line extensions with voltages less than or equal to 14kV, the Company will install, own and maintain, on an individual project basis, the distribution facilities necessary to provide permanent service to a large general service or large light and power Customer. Prior to the installation of facilities, the Customer will be required to make a cash advance to the Company for any portion of the capital expenditures not justified by the estimated two year revenue of the new facilities. Such advance, if any, will be in the amount determined by subtracting two (2) times the estimated annual revenue from the total estimated installation costs based in the TEP Statement of Charges ~~Section 48~~. If the total of such charge is less than one hundred dollars (\$100.00), the charge will be waived by the Company. Adjustments to the advance will be made after the initial twenty-four (24) month billing period, and the Company will refund to the amount by which the estimated advance exceeds the actual installation cost less the actual twenty-four (24) month billing. In no event shall the total of the refund payments made by the Company to the depositor be in excess of the deposit amount advanced.

500 foot line extension allowance does not apply.

- ii. For line extensions with voltages greater than 14kV and less than or equal to 46kV, the installation costs will be the actual costs of construction. The Company will install, own and maintain, on an individual project basis, the facilities necessary to provide permanent service. Prior to the installation of facilities, the Customer will be required to pay the estimated cost of the construction of the distribution or transmission facilities. Upon completion of construction, the Company will compare the actual cost to the estimated cost and any difference will be either billed or refunded within 60 days to the Customer.

500 foot line extension allowance and adjustments for annual revenues do not apply.

LLP Customers with line voltages greater than 46kV will necessitate a special line extension agreement as required per Subsection 7.C.7.e.

2. Overhead or Underground Distribution Facilities Up to and Within a New Duly Recorded Residential Subdivision

a. General

Required distribution facilities up to and within a new duly recorded residential subdivision, including subdivision plats which are activated subsequent to their recordation, for permanent service to single and/or multi-family residences and/or unmetered area lighting, will be constructed, owned, operated and maintained by the Company in advance of applications for service by permanent Customers only after the Company and the Applicant have entered into a written contract which (unless otherwise agreed to by the Company and the Applicant) provides that:

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- i. The total estimated installed cost of such overhead distribution facilities, exclusive of meters, services and exclusive of other costs as may be deemed as reasonable by the Company, will be advanced to the Company as a refundable non-interest bearing cash deposit to cover the Company's cost of construction. In the event that the advance has not met the requirements for total refunding on or before the end of two (2) years from the date of installation of the Company's facilities, the advance will further be utilized for reimbursement of the Company's cost of ownership as provided in Subsection 7.C.2.b. In lieu of the refundable cash deposit, the Applicant may elect to execute a Deferred Construction Deposit Agreement, secured by a bond or letter of credit in a form acceptable to the Company, equal to the deferred cash deposit, which guarantees the posting by the Applicant of the full cash deposit one (1) to six (6) years subsequent to the completion of construction of the Company's facilities. Letters of credit and bonds will not be acceptable where the original cash deposit would be less than one thousand dollars (\$1,000).
- ii. Refundable advances will become non-refundable at such time and in such manner provided in Subsection 7.C.2.b.
- iii. The Applicant will be responsible for ownership costs at such time and in such manner as provided in Subsection 7.C.2.b.
- iv. Where applicable, if distribution facilities must be constructed in excess of an average of five hundred (500) feet per new permanent Customer within a duly recorded residential subdivision, a nonrefundable cash amount equal to that portion of the total estimated installed cost represented by those required line facilities in excess of five hundred (500) feet per Customer average will be paid to the Company.
- v. Underground Installations – Extensions of single-phase underground distribution lines necessary to furnish permanent electric service to new residential buildings or mobile homes within a subdivision, in which facilities for electric service have not been constructed, for which applications are made by a developer will be installed underground in accordance with the provisions set forth in this regulation except where it is not feasible from an engineering, operational, or economic standpoint. Extensions of single-phase underground distribution lines necessary to furnish permanent electric service within a new single family and/or multi-family residential subdivision will be made by the Company in advance of receipt of applications for service by permanent Customers in accordance with the following provisions (unless otherwise agreed to by the Company and the Applicant):
 - 1) The subdivider or other Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.

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- 2) Underground service will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.
 - 3) Any underground electric distribution system requiring more than single-phase service is not governed by this Subsection 7.C.2., but rather will be constructed pursuant to Subsection 7.C.4.
- vi. Underground extensions up to the duly recorded Subdivision will be owned, operated and maintained by the Company, provided the Applicant pays a non-refundable sum equal to the estimated difference between the cost of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential on Schedule 18.
- b. Method of Refund
- i. For Line Extensions Within A New Duly Recorded Residential Subdivision ("Subdivision Agreements")

On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of a subdivision to determine the percentage ratio that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in each Subdivision Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals a maximum of seventy-five percent (75%) at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

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Refunds of cash deposits, less applicable cost of ownership charges, if any, will also be made by the Company within ninety (90) days following receipt of written notice from the developer requesting payment of earned refund, provided that the earned refund due represents a minimum of twenty percent (20%) of the total amount of the advance. Furthermore, if at any time a maximum of seventy-five percent (75%) or more of the total refundable advance qualifies for refund, any balance of the advance remaining, after applicable cost of ownership charges, if any, have been deducted, will be refunded. No payment will be made by the Company in excess of the total refundable advance less applicable cost of ownership charges, if any, nor after a period of six (6) years subsequent to the completion of construction of the Company's facilities. Any un-refunded amount remaining at the end of the six (6) year period will become nonrefundable and the property of the Company and be a nonrefundable contribution in aid of construction.

- ii. For Line Extensions To The Perimeter of New Duly Recorded Residential Subdivisions ("Feeder Agreements")

On or after two (2) years subsequent to the installation of the Company's facilities, and thereafter every six (6) months, the Company will review the status of Customers added as a result of the extension and within connected subdivisions in excess of the Customer level identified in each subdivision's agreement to determine the percentage that the number of lots or service locations occupied by permanent Customers bears to the number of lots identified in the Feeder Agreement specified as the basis for refund. Refunds will be made prior to the actual occupancy by a permanent Customer if the lot or service location has been substantially completed so that in the judgment of the Company permanent occupancy will occur within a reasonable time. Such periodic review will continue until either: i) the calculated ratio equals the level identified in the Feeder Agreement at which time the total refund will be made to the Applicant; or ii) a six (6) year period subsequent to the completion of installation of the Company's facilities elapses. For purposes of computation of all charges and refundable deposit requirements under these Rules and Regulations, the installation of the Company's facilities will be that date upon which the construction is determined to be completed and the facilities are entered into the Company records of Plant and Property. The ratio determined at the time of each review multiplied by the total refundable advance associated with the line extension agreement, less applicable cost of ownership charges previously deducted, if any, will represent that portion of the advance qualified for refund. If the foregoing calculation indicates a refund is due, an appropriate refund of cash deposit, or reduction of the cash deposit requirement at the end of the deferral period in those cases where a Deferred Construction Deposit Agreement has been executed, will be made.

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Refunds of cash deposits, less applicable cost of ownership charges, if any, will also be made by the Company within ninety (90) days following receipt of written notice from the developer requesting payment of earned refund, provided that the earned refund due represents a minimum of twenty percent (20%) of the total amount of the advance. Furthermore, if at any time a maximum of seventy-five percent (75%) or more of the total refundable advance qualifies for refund, any balance of the advance remaining, after applicable cost of ownership charges, if any, have been deducted, will be refunded. No payment will be made of the Company in excess of the total refundable advance less applicable cost of ownership charges, if any, nor after a period of six (6) years subsequent to the completion of construction of the Company's facilities. Any unrefunded amount remaining at the end of the six (6) year period will become nonrefundable and the property of the Company and will be treated as a nonrefundable contribution in aid of construction.

iii. In the event that any portion of an advance has not qualified for refund at the time of each review, the developer will be responsible for the Company's cost of ownership charges based on the average (mean) of the electric facilities represented by:

- 1) that portion of the advance not qualified for refund at the time of current review, and
- 2) that portion of the advance not qualified for refund at the time of the last periodic review.

When the advance is in the form of a cash deposit, the semi-annual cost of ownership charges will be equal to the average of (i) and (ii) above multiplied by five and one-half percent (5-1/2%). When the advance is in the form of a Deferred Construction Deposit, the semi-annual cost of ownership charges will be equal to (i) and (ii) above multiplied by the sum of five and one-half percent (5-1/2%) plus one-half of the original cost equivalent of the rate of return, expressed as a percent, last allowed to the Company by the Commission. Payment of such cost of ownership charges, which will be computed and paid at the time of each review after the initial review, will be made in the following manner:

When the advance is in the form of a cash deposit, a deduction of cost of ownership charge will be made by the Company from the cash deposit.

When the advance is in the form of a Deferred Construction Deposit, the Company will bill and developer will pay to Company said cost of ownership charge. In the event that the Applicant fails to pay the cost of ownership charge when due, the Company will exercise its rights provided for in the Deferred Construction Deposit, and will call the bond or letter of credit.

The portion of the original advance on which cost of ownership charges are computed will not be reduced for purposes of that computation by amounts deducted previously for cost of ownership charges.

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3. Underground Extensions to Individual Applicants

a. General

Underground line extensions will generally be made only where mutually agreed upon by the Company and the Applicant, or in areas where the Company does maintain underground distribution facilities for its operating convenience.

- i. Underground extensions will be owned, operated and maintained by the Company, provided the Applicant pays in advance a non-refundable sum equal to the estimated difference between the cost, exclusive of meters and services, of the underground extension and an equivalent overhead extension at the rate indicated by the Underground Differential in the TEP Statement of Charges ~~Section 48~~ (for voltages up to 14kV).
- ii. In addition to the non-refundable sum, the Applicant will (unless otherwise agreed to by the Company and the Applicant) make such refundable deposit as shown in the TEP Statement of Charges ~~Section 48~~ (for voltages up to 14kV) and in accordance with Subsection 7.C. as otherwise would have been required under these Rules and Regulations if the extension had been made by overhead construction.
- iii. The Applicant will provide and install all of the required underground duct system (including all or a portion of the necessary trenching, backfilling, conduits, ducts, transformer and equipment pads, manholes, and pull boxes) in accordance with the Company's specifications and subject to the Company's inspection and approval. Upon acceptance and approval by the Company, the Applicant will grant to the Company the exclusive right to use and occupy said duct system or, at the option of the Company, will transfer ownership thereof to the Company.
- iv. Refunds of cash deposits will be made in the same manner as provided for overhead extensions to individual Applicants for service, in accordance with the applicable provisions of Subsection 7.C.
- v. Underground services will be installed, owned, operated and maintained as provided in Section 6 of these Rules and Regulations.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

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July 25, 2014

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4. Replacement of Overhead with Underground Distribution Facilities

Where a Customer has requested that existing overhead distribution facilities be replaced with underground distribution facilities, the total cost of such replacement will be paid by the Customer.

5. Conversion from Single-Phase to Three-Phase Service

Where it is necessary to convert all or any portion of an existing underground distribution system from single-phase to three-phase service to a Customer, the total cost of such conversion will be paid by the Customer.

6. Long Term Rental Mobile Home Park, Townhouses, Condominiums and Apartment Complexes

Line extensions to long term rental mobile home parks, townhouses, condominiums and apartment complexes will be made by the Company under terms and conditions provided in Subsection 7.C.1. The Company will, when requested by the Customer, install, own and maintain internal distribution facilities and individual metering for said development in accordance with the provisions pertaining to duly recorded real estate subdivisions as stated in Subsection 7.C.2 hereof.

7. Special Conditions

a. Contracts

Each sub divider or other Applicant for service requesting an extension over the allowable footage allowance, or in advance of applications for service to permanent Customers, or in advance of completion of required site improvements will (unless otherwise agreed to by the Company and the Applicant) be required to execute contracts covering the terms under which the Company will install lines at its own expense, or contracts covering line extensions for which advance deposits will (unless otherwise agreed to by the Company and the Applicant) be made in accordance with the provisions of these Rules and Regulations or of the applicable rate schedules.

b. Primary Service and Metering

The Company will provide primary service to a point of delivery, such point of delivery to be determined by the Company. The Customer will provide the entire distribution system (including transformers) from the point of delivery to the load. The system will be treated as primary service for the purposes of billing. The Company reserves the right to approve or require modification to the Customer's distribution system prior to installation, and the Company will determine the voltage available for primary service. Instrument transformers, metering riser poles and associated equipment to be installed and maintained by the Company will be at the Customer's expense.

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c. Advances under Previous Rules and Contracts

Amounts advanced under the conditions established by a rule previously in effect will be refunded in accordance with the requirements of such contract under which the advance was made.

d. Extensions for Temporary Service

Extensions for temporary service or for operations of a speculative character or questionable permanency will be charged the applicable estimated charges for the installation and removal of temporary facilities. Temporary facilities will remain in service for a maximum of two (2) yearsline extension charges as set forth in the Statement of Additional Charges.

e. Exceptional Cases

Where unusual terrain, location, soil conditions, or other unusual circumstances make the application of these line extension rules impractical or unjust to either party or in the case of extension of lines of other than standard distribution voltage, service under such circumstances will be negotiated under special agreements specifying terms and conditions covering such extensions.

f. Special or Excess Facilities

Under this rule, the Company will install only those facilities which it deems are necessary to render service in accordance with the rate schedules. Where the Customer requests facilities which are in addition to, or in substitution for, the standard facilities which the Company normally would install, the extra cost thereof will be paid by the Customer.

g. Unusual Loads

Line extensions to unusually small loads not consisting of a residence or permanent building (e.g. individual lights, wells, signs, etc.) will not be granted the five hundred (500) foot allowance but will instead be required to advance any costs of service in excess of their estimated two years annual revenue. Refunding will be according to Subsections 7.C.1.c. and 7.C.3.a.iv.

Filed By: Raymond S. HeymanKentton C. Grant

Title: Senior Vice President of Finance and Ratesand
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D. Construction / Facilities Related Income Taxes

1. Collection of Income Tax Gross Up

a. Any federal, state or local income taxes resulting from the receipt of a contribution or advance in aid of construction in compliance with this rule is the responsibility of the Company and will be recorded as a deferred tax asset and reflected in the Company's rate base for ratemaking purposes.

b. However, if the estimated contribution or advance for any service line or distribution main extension (as determined for each individual extension agreement) exceeds \$500,000, the Company may require the Applicant to include in the contribution, advance or deferred construction deposit agreement an amount (the "gross up amount") equal to the estimated federal, state or local income tax liability of the Company resulting from the contribution or advance computed as follows:

$$\text{Gross Up Amount} = \frac{\text{Advance or Contribution}}{(1 - \text{Statutory combined income tax rate})} - \text{Advance or Contribution}$$

b-c. After the Company's tax returns for the year of receipt of the advance or contribution are completed, if the statutory combined income tax rate is less than the rate used to calculate the gross-up, the Company shall refund to the Applicant an amount equal to such excess.

c-d. When a gross-up amount is to be collected in connection with an extension agreement, the contract will state the tax rate used to compute the gross up amount, and will also disclose the gross-up amount separately from the estimated cost of facilities.

2. Refund of Income Tax Gross Up

a. In the case of construction advance refunds made pursuant to Subsection 7.C.1.d. (Large Light & Power Extensions), a pro rata portion of the gross up will be refunded when the amount of the underlying contribution is refunded. Any remaining gross-up will be refunded on November 1 of each year as tax depreciation deductions are taken on the Company's tax returns. At the end of five years from installation, the remaining gross up will be

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refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.

- b. In the case of all other advances or deferred construction deposit agreements, the gross up will be refunded, or the amount of required deferred construction deposit will be reduced, as follows:

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- i. If the full amount of the advance is refunded prior to September 30th of the year following the year in which the advance is received, the entire amount of the gross-up will be refunded.
- ii. For any amount of the advance not refunded as of September 30th of the year following the year in which the advance is received, on November 1st of each year a portion of the gross-up will be refunded based on the amount of the tax depreciation deductions taken by the Company on its federal and state income tax returns.
- iii. When any advance is refunded after depreciation refunds pursuant to clause ii have begun, a pro rata portion of the gross up will be refunded reduced by the amount of depreciation refunds previously made for that portion of the gross up.
- iv. For any advance that is not refunded at the end of the contract period, the remaining gross up will be refunded at an amount that reflects the net present value of the Company's remaining tax depreciation deductions on the underlying advance discounted at the Company's authorized rate of return.

3. Non-refundable Income Tax Gross Up

- a. At the option of the Customer, a non-refundable gross-up may be calculated as follows:

$$\frac{\text{Non-refundable Gross Up Amount}}{= \frac{(\text{Contribution Amount} - \text{Present Value of Tax Depreciation})}{(1 - \text{Current Tax Rate})} - \text{Contribution Amount}}$$

E. Transition to Revised Line Extension Rules

1. From the effective date of these Rules and Regulations:

- a. All applicants that have begun the process of requesting a line extension agreement will be notified that they are eligible to reapply under the newly effective Rules and Regulations with respect to line extension agreements. The Company will make all reasonable efforts to reserve those applicants' place in order of processing line extension request.
- b. All applicants with an executed line extension agreement in place and construction of Company's facilities have not been determined as completed by the Company will be notified of the rules change and the Company will work with the applicant to amend their line extension agreements to reflect the newly effective Rules and Regulations.

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A. Company Responsibility

1. The Company will be responsible for the safe transmission and distribution of electricity until it passes the point of delivery to the Customer.
2. The Company will be responsible for maintaining in safe operating condition all meters, equipment and fixtures installed on the Customer's premises by the Company for the purpose of delivering electric service to the Customer. The Company, however, will not be responsible for the condition of meters, equipment, and fixtures damaged or altered by the Customer.
3. The Company may, at its option, refuse service until the Customer has obtained all required permits and/or inspections indicating that the Customer's facilities comply with local construction and safety standards, including any applicable Company specifications.
4. The Company will determine, in its sole discretion, the type of service (including voltage and Point of Delivery) to be furnished for utilization by the Customer. This includes determinations involving (1) requirements to take Primary Service and Metering and (2) service voltage (including for any new on-site generation installations or generation retrofits at the Customer's premises).

B. Customer Responsibility

1. Each Customer will be responsible for maintaining in safe operating condition all Customer facilities on the Customer's side of the point of delivery.
2. Each Customer will be responsible for safeguarding all Company property installed in or on the Customer's premises for the purpose of supplying utility service to that Customer.
3. Each Customer will exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The Customer will be responsible for loss of or damage to, Company property on the Customer's premises arising from neglect, carelessness, misuse, diversion or tampering and will reimburse the Company for the cost of necessary repairs or replacements.
4. Each Customer, regardless of who owns the meter, will be responsible for payment for any equipment damage and/or estimated unmetered usage and all reasonable costs of investigation resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.
5. Each Customer will be responsible for notifying the Company of any equipment failure identified in the Company's equipment.

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6. ~~Each~~ The Customer will be responsible for informing the Company of, and meeting the Company's requirements regarding, on-site or distributed generation (including distributed renewable resources and combined heat and power facilities) that the Customer or its agent intends to interconnect to the Company's transmission and distribution system. This includes compliance with all requirements contained within the Company's most current Interconnection Requirements for Distributed Generation, and the terms and conditions of the Company's Agreement for the Interconnection of Customer's Facility. Customer must also agree to enter into the Interconnection Agreement with the Company. Further, any interconnection must be in accordance with any applicable Commission regulation and order governing interconnection, as well as applicable laws.
7. The Customer, at his expense, may install, maintain and operate check-measuring equipment as desired and of a type approved by the Company, provided that such equipment will be installed so as not to interfere with operation of the Company's equipment, and provided that no electric energy will be re-metered or sub-metered for resale to another or to others, except where such re-metering will be done in accordance with the applicable orders of the Commission.

C. Continuity of Service

The Company will make reasonable efforts to supply a satisfactory and continuous level of service. However, the Company will not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the Company could not have reasonably foreseen or made provision for (i.e., force majeure);
2. Intentional service interruptions to make repairs or perform routine maintenance; or
3. Curtailment, including brownouts or blackouts.

D. Service Interruptions

1. The Company will make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
2. When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company will attempt to inform affected Customers at least twenty-four (24) hours in advance of

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the scheduled date, and these repairs will be completed in the shortest possible time to minimize the inconvenience to the Customers of the Company.

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4.3. In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

5.4. The Commission will be notified of interruption in service affecting the entire system or any major division thereof. The interruption of service and cause will be reported by telephone to the Commission within four (4) hours after the responsible representative of the Company becomes aware of said interruption. A written report to the Commission will follow.

E. Interruption of Service and Force Majeure

1. The Company will make reasonable provision to supply a satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity. The Company will not be liable for any damage or claim of damage attributable to any temporary, partial or complete interruption or discontinuance of electric service attributable to a force majeure condition as set forth at Subsections 8.E.4. and 8.E.5. or to any other cause which the Company could not have reasonably foreseen and made provision against, or which, in the Company's judgment, is necessary to permit repairs or changes to be made in the Company's electric generating, transmission or distribution equipment or to eliminate the possibility of damage to the Company's property or to the person or property of others.
2. Whenever the Company deems that a condition exists to warrant interruption or limitation in the service being rendered, this interruption or limitation will not constitute a breach of contract and will not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.
3. The use of electric energy upon the premises of the Customer is at the risk of the Customer. The Company's liability will cease at the point where its facilities are connected to the Customer's wiring.
4. Neither the Company nor the Customer will be liable to the other for any act, omission or circumstances (including, with respect to the Company, but not limited to, inability to provide service) occasioned by or in consequence of the following:
 - a. flood, rain, wind, storm, lightning, earthquake, fire, landslide, washout or other acts of the elements;
 - b. accident or explosion;
 - c. war, rebellion, civil disturbance, mobs, riot, blockade or other act of the public enemy;
 - d. acts of God;
 - e. interference of civil and/or military authorities;

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- f. strikes, lockouts or other labor difficulties;
g. vandalism, sabotage or malicious mischief;

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- ~~g.h.~~ usurpation of power, or the laws, rules, regulations or orders made or adopted by any regulatory or other governmental agency or body (federal, state or local) having jurisdiction of any of the business or affairs of the Company or the Customer, direct or indirect;
- ~~h.i.~~ breakage or accidents to equipment or facilities;
- ~~i.j.~~ lack, limitation or loss of electrical or fuel supply; or
- ~~k.~~ any other casualty or cause beyond the reasonable control of the Company or the Customer, whether or not specifically provided herein and without limitation to the types enumerated, and which by the exercise of due diligence such party is unable to prevent or overcome.

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5. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees will not be considered to be a matter within the control of the Company.
6. Nothing contained in this Section will excuse the Customer from the obligation of paying for electricity delivered or services rendered.

F. General Liability

1. The Company will not be responsible for any third-party claims against the Company that arise from Customer's use of the Company's electricity.
2. Customer will indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against all claims (including, without limitation, claims for damages to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, or the Customer's agents, in connection with the Company's service or facilities.
3. The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment will not exceed an amount equal to the charges applicable under the Company's Pricing Plan Rates (calculated on a proportionate basis where appropriate) to the period during which the error, mistake, omission, interruption or delay occurs.

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4. In no event will the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
5. The Company will not be responsible in an occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any electric facilities.

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G. Construction Standards and Safety

The Company will construct all facilities in accordance with the provision of the ANSI C2 Standards (National Electric Safety Code, ~~2007~~¹⁹⁹⁷ edition, and other amended editions as are adopted by the Commission), the ~~2007~~¹⁹⁹⁵ ANSI B.31.1 Standards, the ASME Boiler and Pressure Vessel Code, and other applicable American National Standards Institute Codes and Standards, except for such changes as may be made or permitted by the Commission from time to time. In the case of conflict between codes and standards, the more rigid code or standard will apply.

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CHARACTER OF SERVICE – VOLTAGE, FREQUENCY AND PHASE

- A. Electric energy furnished under these Rules and Regulations will be alternating current, sixty (60) hertz single or three-phase, at the standard, nominal voltages specified by the Company. The following nominal voltages are available on the Company's system:
1. Residential Customers: 120/240 volts single-phase
 2. General Service or Light and Power Customers:
 - a. Single-Phase: 120/240 volts (all areas)
 - b. Three-Phase:
 - i. 120/240 volts 4 wire delta (from overhead system only and not for new service, upgrades only)*
 - ii. 240/480 volts 4 wire delta (from overhead system only)*
 - iii. 120/208 volts 4 wire wye
 - iv. 277/480 volts 4 wire wye
- * This may be available in some existing underground areas.
- B. The primary voltage supplied will depend on the Customer's load and the system voltage available at that location; it will be specified by the Company. Normally, this will be one of the following nominal distribution or sub-transmission voltages: 7970/13800 volts 4 wire wye, or 46,000 volts 3 wire delta. The actual standard nominal voltages available to a specific Customer will depend on location, load, and type of system in the area and will be specified by the Company.
- C. A Customer must meet certain minimum load requirements in order to qualify for three-phase service under Section 7 and within the Electrical Service Requirements.
- D. The Company does not guarantee the constancy of its voltage or frequency, nor does it guarantee against its loss of one or more phases in a three-phase service. The Company will not be responsible for any damage to the Customer's equipment caused by any or all of these occurrences brought about by circumstances beyond its control.

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E. Motor Protection

The following protective apparatus, to be provided by the Customer, is required on all motor installations:

1. No-Voltage Protection: Motors that cannot be safely subjected to full voltage at starting must be provided with a device to insure that upon failure of voltage, the motors will be disconnected from the line. Said device should be provided with a suitable time delay relay.
2. Overload Protection: All motors whose voltage does not exceed 750 volts are to be provided with approved fuses of proper rating. Where the voltage exceeds 750 volts, protective devices are to be provided. In these cases it will be found desirable to install standard switching equipment. The installation of overload relays and no-voltage releases is recommended on all motors, not only as additional protection, but as a means of reducing the cost of refusing.
3. Phase Reversal: Reverse phase relays and circuit breakers or equivalent devices are recommended on all polyphase installations to protect the installation in case of phase reversal or loss of one phase.

F. Load Fluctuation and Balance

1. Interference with Service: The Company reserves the right to refuse to supply loads of a character that may seriously impair service to any other Customers. In the case of hoist or elevator motors, welding machines, furnaces and other installations of like character where the use of electricity is intermittent or subject to violent fluctuations, the Company may require the Customer to provide at the Customer's own expense suitable equipment to reasonably limit those fluctuations.
2. The Company has the right to discontinue electric service to any Customer who continues to use appliances or other devices, equipment and apparatus detrimental to the service after the Company notifies the Customer of his or her causing detriment to the service.
3. Allowable Instantaneous Starting Current Values: The instantaneous starting current (determined by tests or based on limits guaranteed by manufacturers) drawn from the line by any motor must not exceed a value (as determined by the Company) that may be deemed detrimental to the normal operation of the system. If the starting current of the motor exceeds that value, a starter must be used or other means employed to limit the current to the value specified. A reduced voltage starter may be required for polyphase motors.
4. When three-phase service supplied under a power rate includes incidental lighting, the Customer will supply any necessary lighting transformers and arrange its lighting to give a substantially balanced three-phase load.

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G. Customer Responsibility for Equipment Used in Receiving Electric Energy

No statement or requirement in these Rules and Regulations can be construed as the assumption of any liability by the Company for any wiring of electrical equipment or the operation of same, installed in, upon, or about the Customer's premises, nor will the Company be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the Customer, or any of the Customer's agents or employees or licenses on the part of the Customer in installing, maintaining, using, operating, or interfering with any such wiring, machinery or apparatus.

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SECTION 10
METER READING

A. Company or Customer Meter Reading

1. The Company may, at its discretion, allow for Customer reading of meters.
2. It will be the responsibility of the Company to inform the Customer how to properly read his or her meter.
3. Where a Customer reads his or her own meter, the Company will read the Customer's meter at least once every ~~six~~four (64) months, except for Customers participating in the Automated Meter Opt-Out which will be read at least once every six (6) months.
- 3.4. Where the Company must read the meter every four (4) months, the Customer shall pay Fee No. 3 as set forth in the TEP Statement of Charges for every read.
- 4.5. The Company will provide the Customer with postage-paid cards or other methods to report the monthly reading to the Company.
- 5.6. The Company will specify the timing requirements for the Customer to submit his or her monthly meter reading to conform to the Company's billing cycle.
7. In the event the Customer fails to submit the reading on time, the Company may issue the Customer an estimated bill. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days. In the event the Customer fails to submit a reading within this ten (10) day period, the Company may issue the Customer an estimated bill.
8. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months, except for Customers participating in the Automated Meter Opt-Out which shall be five (5) months.
9. The Company and the Customer shall mutually agree on a method to submit meter reads.
10. Where the Customer is providing their own meter reads, the Customer is responsible for all applicable charges as calculated from the point the Company last read the Customer's meter.
11. Meters will be read monthly on as close to the same day as practical.

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B. Automated Meter Opt-Out

1. Company-Read Automated Meter Opt-Out

In addition to the provisions set forth in Section 10.A above, a Customer choosing the Automated Meter Opt-Out will be charged the "Additional Customer Charge for Automated Meter Opt-Out Customers" as specified in the TEP Statement of Charges.

2. Customer/Self-Read Automated Meter Opt-Out

In addition to the provisions set forth in Section 10.A above, a Customer choosing the Self-Read Automated Meter Opt-Out will be charged the "Additional Customer Charge for Self-Read Automated Meter Opt-Out Customers" as specified in the TEP Statement of Charges. In the event that the self-read information is found to be inaccurate, untimely or otherwise not in accordance with the TEP Rules and Regulations, the Customer will be subject to rebilling to reflect actual consumption in accordance with Section 10.A. The rebilling will also include an adjustment to reflect the "Additional Customer Charge for the Automated Meter Opt-Out Customers" set forth in the TEP Statement of Charges from the time of the last actual Company read. Additionally, the Customer shall not be eligible for the Self-Read Automated Meter Opt-Out for one year from the date of the rebilling.

B.C. Measuring of Service

1. All energy sold to Customers and all energy consumed by the Company, except that sold according to fixed charge schedules, will be measured by commercially acceptable measuring devices owned and maintained by the Company. This Subsection will not apply where it is impractical to install meters, such as street lighting or security lighting, or where otherwise authorized by the Commission.
2. When there is more than one meter at a location, the metering equipment will be so tagged or plainly marked as to indicate the circuit metered or metering equipment in accordance with Subsection 3.C.8.
3. Meters which are not direct reading will have the multiplier plainly marked on the meter.
4. All charts taken from recording meters will be marked with the date of the record, the meter number, Customer, and chart multiplier.
5. Metering equipment will not be set "fast" or "slow" to compensate for supply transformer or line losses.

C.D. Customer Requested Rereads

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1. The Company will, at the request of a Customer, reread that Customer's meter within ten (10) business days after the request by the Customer.

2. Any reread may be charged to the Customer at a rate set forth in the TEP Statement of Additional Charges, if the original reading was not in error.

3.2.

3. When a reading is found to be in error, the Company will not charge the Customer for the reread.

D.E. Access to Customer Premises

At all times, the Company will have the right of safe ingress to and egress from the Customer's premises at all reasonable hours for any purpose reasonably connected with the Company's property used in furnishing service and the exercise of any and all rights secured to it by law or these rules.

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E.F. Meter Testing and Maintenance Program

1. The Company will replace any meter found to be damaged or associated with an inquiry into its accuracy, whether initiated by the Customer or Company, and which has been in service for more than sixteen (16) years. Replaced meters will be tested for accuracy and will be acceptable if found to have an error margin within plus or minus three percent ($\pm 3\%$).
2. The Company will file an annual report with the Commission summarizing the results of the meter maintenance and testing program for that year. At a minimum, the report should include the following data:
 - a. Total number of meters tested at Company initiative or upon Customer request; and
 - b. Number of meters tested which were outside the acceptable error allowance of $\pm 3\%$.

F.G. Customer Requested Meter Tests

The Company will test a meter upon Customer request and the Company will be authorized to charge the Customer for the meter test. The charge for the meter test is set forth in the TEP Statement of Additional Charges. However, if the meter is found to be in error by more than three percent (3%), then no meter testing fee will be charged to the Customer.

SECTION 10
METER READING
(continued)

G. Demands

1. The Customer's demand may be measured by a demand meter, under all rate schedules involving billings based on demand, unless appropriate investigation or tests indicate that the Customer's demand will not be such as to require a demand meter for correct application of the rate schedule. In cases where billings under a rate schedule requiring determination of the Customer's demand must be made before a demand meter can be installed, such billings may be made on an estimated demand basis pending installation of the demand meter; provided, however, that billings made on the basis of estimated demands will be appropriately adjusted, if indicated to be greater or less than the actual demands recorded after the demand meter is installed.
2. Demand meters may be installed at any metering location if the nature of the Customer's equipment and operation is such as to indicate that a demand meter is required for correct application of the rate schedule.
3. All demands used for billing purposes will be recorded, or computed to the nearest whole kW.

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BILLING AND COLLECTION**

A. Frequency and Estimated Bills

1. The Company will bill monthly for services rendered. Meter readings will be scheduled for periods of not less than twenty-five (25) days or more than thirty-five (35) days.
2. If the Company is unable to obtain read the meter read on the scheduled meter read date, the Company will estimate the consumption for the billing period as set forth in the Company's Bill Estimation Methodologies Tariff, giving consideration to the following factors where applicable:
 3. The Customer's usage during the same month of the previous year.
 4. The amount of usage during the preceding month.
 5. After the second consecutive month of estimating the Customer's bill for reasons other than severe weather, the Company will attempt to secure an accurate reading of the meter.
 6. Failure on the part of the Customer to comply with a reasonable request by the Company for access to its meter may lead to the discontinuance of service.
 7. Estimated bills will be issued only under the following conditions:
 - a. Failure of a Customer who read his own meter to deliver his meter reading card to the Company, in accordance with the requirements of the Company billing cycle.
 - b. Severe weather conditions, emergencies or work stoppages that prevent the Company from reading the meter.
 - c. Circumstances that make it dangerous or impossible to read the meter, including locked gates, blocked meters, vicious or dangerous animals, or any force majeure condition as listed in Subsections 8.E.4 and 8.E.5.
 - d. When an electronic meter reading is obtained, but the data cannot be transferred to a Customer Information System.
 - e. A meter failure or malfunction with no reliable information retained by the meter.
 - f. Meter tampering or energy diversion results in a lack of accurate metered consumption information.
 - g. In the event the Customer fails to submit the reading within the designated ten (10) day meter reading window.
 - g-h. In the event the Customer fails to submit monthly reads as designated above, the Company may estimate the usage for up to three (3) months.
6. Each bill based on estimated usage will indicate that it is an estimated bill.

Filed By: Raymond S. Heyman/Kentton C. Grant

Tariff No./Effective:

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8.7. Estimates due to equipment malfunctions may exceed one month if the malfunction could not be reasonably discovered and/or corrected before additional bills were estimated.

8. A bill is not considered an estimated bill when the end read is based on an actual read.

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B. Combining Meters, Minimum Bill Information

1. Each meter at a Customer's premises will be considered separately for billing purposes, and the readings of two (2) or more meters will not be combined unless otherwise provided for in the Company's Pricing Plan Rates.
2. Each bill for residential service will contain the following minimum information:
 - a. Date and meter reading at the start of billing period or number of days in the billing period;
 - b. Date and meter reading at the end of the billing period;
 - c. Billed usage and demand (if applicable);
 - d. Rate schedule number;
 - e. Company telephone number;
 - f. Customer's name;
 - g. Service account number;
 - h. Amount due and due date;
 - i. Past due amount;
 - j. Adjustment clause costs, where applicable;
 - k. All applicable taxes; and
 - l. The address for the Arizona Corporation Commission.

C. Billing Terms

1. All bills for the Company's services are due and payable no later than ten (10) days from the date the bill is rendered. Any payment not received within this time frame will be considered past due.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:
 - a. The postmark date for bills sent via U.S. Postal Service; or

Filed By: Raymond S. Heyman Kentton C. Grant

Tariff No. Effective:

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- b. The mailing date; or
- c. The billing date shown on the bill. However, the billing date will not differ from the postmark or mailing date by more than two (2) days.
- d. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer.
3. All past due bills for the Company's services are due and payable within fifteen (15) days. Any payment not received within this time frame will be considered delinquent and will incur a late payment finance charge.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

~~Tariff No.~~ Effective:

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4. All delinquent bills for which payment has not been received within five (5) days will be subject to the provisions of the Company's termination procedures.
5. All payments of current amounts may be made at or sent via U.S. Postal Service mailed to the office of the Company or to the Company's duly authorized representative.
- 5.6. A bill will be rendered in a form prescribed by the Company. If the Customer requests a bill in a form other than the one prescribed by the Company, the Company in its sole discretion may consider such request and charge the Customer any associated costs.

D. Applicable Pricing Plan Rates, Time-of-Use Meters, Prepayment, Failure to Receive, Commencement Date, Taxes

1. Each Customer will be billed under the applicable Pricing Plan Rate indicated in the Customer's application for service.
2. For a Customer taking service under a TEP Time-of-Use ("TOU") rate schedule, the Company TEP may charge a fee based on the incremental cost of a TOU meter versus a non-TOU meter.
3. Customers may pay for electrical service by making advance payments.
4. Failure to receive bills or notices which have been properly placed in the U.S. Postal Service United States mail or posted electronically will not prevent those bills from becoming delinquent nor relieve the Customer of his obligations therein.
5. Charges for service commence when the service is installed and connection made, whether used or not.

E. Billing and Meter Error Corrections

1. If, after testing, any meter is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error will be made to previous readings and adjusted bills will be rendered according to the following terms:
 - a. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter will have been shown to be in error by such test.
 - b. From the date the error occurred, if the date of the cause can be definitely fixed.
2. No adjustment will be made by the Company except to the Customer last served by the meter tested.

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F. Responsibility for Payment of Bills

1. The Customer is responsible for the payment of bills until service is ordered discontinued and the Company has had reasonable time to secure a final meter reading for those services involving energy usage, or if non-metered services are involved until the Company has had reasonable time to process the disconnect request.
2. When an error is found to exist in the billing rendered to the Customer, the Company may correct such an error to recover or refund the difference between the original billing and the correct billing. The TEP Bill Estimation Methodologies tariff shall be applied when the Company cannot obtain a complete and valid meter read. Situations that result in an estimated meter read include inclement weather, lack of access to a Customer's meter, energy diversion, labor unavailability and equipment malfunction.
3. Except as specified below, corrected charges for underbillings shall be limited to three (3) months for residential accounts and six (6) months for non-residential accounts.
 - a. Where the account is billed on a special contract or non-metered rate, corrected charges for underbillings shall be billed in accordance with the contract or rate requirements and is not limited to three (3) or six (6) months as applicable.
 - b. Where service has been established but no bills have been rendered, corrected charges for underbillings shall go back to the date service was established.
 - c. Where there is evidence of meter tampering or energy diversion, corrected charges for underbillings shall go back to the date meter tampering or energy diversion began, as determined by the Company.
 - d. Where lack of access to the meter (caused by the Customer) has resulted in estimated bills, corrected charges for underbillings shall go back to the billing month of the last Company obtained meter read date.

G. ~~Non-sufficient Funds ("NSF") Checks~~Returned Payments

1. The Company will be allowed to recover a fee, as set forth in the TEP Statement of Additional Charges, for each instance where a Customer tenders payment for electric service with a ~~non-sufficient funds check~~payment returned unpaid. This fee will also apply when an electronic funds transfer ("EFT") is denied for any reason, including for lack of sufficient funds.
2. When the Company is notified by the Customer's bank or other financial institution that a payment has been returned unpaid, or denied for any reason, ~~there are non-sufficient funds to cover the check, EFT or other financial instrument for electric service has been denied for any reason,~~ the Company may require the Customer to make

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payment in cash, by money order, certified check, or other means which guarantee the Customer's payment to the Company.

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3. A Customer who tenders a non-sufficient funds checkpayment which is returned unpaid, regardless of the reason or method used to pay, or for whom an EFT or other financial instrument has been denied will not be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.
4. A Customer with two returned payments within a twelve (12) month period may be required to pay with guaranteed funds, (i.e., cash, money order, or cashier's check) for any subsequent billing for twelve (12) months. No checks will be accepted if two (2) NSF checks have been received by the Company within a twelve-month period in payment of any billing.

H. Budget BillingLevelized Billing Plan

1. The Company may, at its option, offer its Customers a budget billinglevelized billing plan.
2. If the Company offers a levelized budget billing plan, the Company will then develop, upon Customer request, an estimate of the Customer's budgetlevelized billing for a twelve-month period based upon:
 - a. Customer's actual consumption history, which may be adjusted for abnormal conditions such as weather variations.
 - b. For new Customers, the Company will estimate consumption based on the Customer's anticipated load requirements.
 - c. The Company's Pricing PlanRate approved by the Commission applicable to that Customer's class of service.
3. The Company will provide the Customer a concise explanation of how the levelized budget billing estimate was developed, the impact of levelized budget billing on a Customer's monthly electric bill, and the Company's right to adjust the Customer's billing for any variation between the Company's estimated billing and actual billing.
4. For those Customers being billed under a levelized budget billing plan, the Company will show, at a minimum, the following information on the Customer's monthly bill:
 - a. Actual consumption;
 - b. Amount due for actual consumption;
 - c. Levelized Budget billing amount due; and
 - d. Accumulated variation in actual versus levelized budget billing amount.

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5. The Company may adjust the Customer's ~~levelized budget~~ billing in the event the Company's estimate of the Customer's usage and/or cost should vary significantly from the Customer's actual usage and/or cost. This review to adjust the amount of the ~~levelized budget~~ billing may be initiated by the Company or Customer.

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I. Deferred Payment Plan

1. The Company may, prior to termination, offer to qualifying residential Customers a deferred payment plan for the Customer to retire unpaid bills for electric service.
2. Each deferred payment agreement entered into by the Company and the Customer, due to the Customer's inability to pay an outstanding bill in full, will provide that service will not be discontinued if:
 - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement.
 - b. Customer agrees to pay all future bills for electric service in accordance with the Company's Pricing Plan Rates.
 - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.
3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the Customer will give consideration to the following conditions:
 - a. Size of the delinquent account;
 - b. Customer's ability to pay;
 - c. Customer's payment history;
 - d. Length of time the debt has been outstanding;
 - e. Circumstances which resulted in the debt being outstanding; and
 - f. Any other relevant factors related to the circumstances of the Customer.
4. Any Customer who desires to enter into a deferred payment agreement must do so before the Company's scheduled termination date for nonpayment of bills. The Customer's failure to execute a deferred payment agreement prior to the scheduled service termination date will not prevent the Company from terminating service for nonpayment.
5. Deferred payment agreements may be in writing and may be signed by the Customer and an authorized Company representative.
6. A deferred payment agreement may include a finance charge in an amount equal to the Company's actual or average cost of providing such arrangements.

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7. If a Customer has not fulfilled the terms of a deferred payment agreement, the Company has the right to disconnect service pursuant to the Company's Termination of Service Rules in Section 12 and, under these circumstances, it will not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

J. Change of Occupancy

1. The Customer must give the Company at least three (3) business days advance notice in writing or by telephone, to discontinue service or to change occupancy.
2. The outgoing Customer will be responsible for all electric services provided and/or consumed up to the scheduled turn-off date.
3. The outgoing Customer is responsible for providing access to the meter so that the Company may obtain a final meter reading. If access is unavailable, due to the action or inaction of the Customer, the outgoing Customer will be responsible for the services consumed until such time as access is provided and services can be turned-off.

K. Electronic Billing

1. Electronic Billing is an optional billing service whereby Customers may elect to receive, view and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill.
2. Customers electing an electronic billing service may be required to complete additional forms and agreements.
3. Electronic Billing may be discontinued at any time by Company or the Customer.
4. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices that have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein.
5. Any notices that the Company is required to send to the Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company.
6. Except as otherwise provided in this subsection, all other provisions of the Company's Rules and Regulations and other applicable ~~Pricing Plan~~ Rates are applicable to Electronic Billing.

Filed By: Raymond S. Heyman ~~Kentton C. Grant~~

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7. The Customer must provide the Company with a current email address for electronic bill delivery. If the electronic bill is electronically sent to the Customer at the email address that the Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the Customer will be responsible for updating the Company with any changes to this email address. Failure to do so will not excuse the Customer from timely paying the Company for electric service.

L. Collections

1. All unpaid closed accounts may be referred to a collection agency for collections.
2. If a collection agency referral is warranted for collection of unpaid final bills, Customer will be responsible for associated collection agency fees incurred. If the unpaid bill is referred to a credit bureau, the Company will not be held responsible to notify the Credit Bureau of any payment status.

M. Refunds

Customers will not be eligible for refunds, rebates or other Company program payments if the Customer has a delinquent Company balance.

N. Refund of Credit Balance Following Discontinuance of Service

Upon discontinuance of service, the Company shall refund the Customer any credit balance remaining on the account. With the consent of the Customer (when available), any credit balance remaining on the account that is less than \$5.00, shall be donated to a low-income assistance program to be determined by the Company or as may be required by law.

Filed By: Raymond S. Heyman Kentton C. Grant

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SECTION 12
TERMINATION OF SERVICE

A. ~~Non-permissible Reasons to Disconnect Service~~

1. ~~The Company will not disconnect service for any of the reasons stated below:~~

- a. ~~Delinquency in payment for services rendered to a prior Customer at the premises where service is being provided, except in the instance where the prior Customer continues to reside on the premises;~~
- b. ~~Failure of the Customer to pay for services or equipment which are not regulated by the Commission;~~
- c. ~~Nonpayment of a bill related to another class of service;~~
- d. ~~Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or meter failure if the Customer agrees to pay over a reasonable period of time;~~
- e. ~~Failure to pay the bill of another Customer as guarantor thereof; or~~
- f. ~~Disputed bills where the Customer has complied with the AGC's rules on Customer bill disputes.~~

g. ~~The Company will not terminate residential service for any of the reasons stated below:~~

- h. ~~The Customer can establish through medical documentation that, in the opinion of a licensed medical physician, termination would be especially dangerous to the health of a Customer or permanent resident residing on the Customer's premises;~~

- a. ~~Life supporting equipment used in the home that is dependent on electric service for operation of this equipment; or~~

~~Where weather will be especially dangerous to health as defined herein or as determined by the Commission.~~

~~Residential service to ill, elderly, or handicapped persons who have an inability to pay will not be terminated until all of the following have been attempted:~~

~~The Customer has been informed of the availability of funds from various government and social assistance agencies of which the Company is aware; and~~

~~A third party previously designated by the Customer has been notified and has not made arrangements to pay the outstanding electric bill.~~

- 2. ~~A Customer utilizing the provisions of Subsections 12.A.2. or 12.A.3. above may be required to enter into a deferred payment agreement with the Company within ten (10) days after the scheduled termination date.~~

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A. Please refer to the Arizona Administrative Code R14-2-211.A.

A-B. Termination of Service Without Notice

1. Electric service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious safety or health hazard to the consumer, the general population or the Company's personnel or facilities;
 - b. The Company has evidence of meter tampering or fraud; or
 - c. The Company has evidence of unauthorized resale or use of electric service; or
 - d. Customer makes payment to avoid/stop disconnection for non-payment with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
 - b-e. Customer makes payment to reconnect service with a dishonored or fraudulent payment. The Company will not be required to restore service until the repayment of those funds and all other delinquent amounts are paid by cash, money order, cashier's check, certified funds or verified electronic payment; or
 - f. Failure of a Customer to comply with the curtailment procedures imposed by the Company during supply shortages.
2. The Company will not be required to restore service until the conditions that led to the termination have been corrected to the satisfaction of the Company.
3. The Company will maintain a record of all terminations of service without notice for a minimum of one (1) year and will be available for inspection by the Commission.

B-C. Termination of Service With Notice

1. The Company may disconnect service to any Customer for any reason stated below provided that the Company has met the notice requirements described in Subsection 12.E. below:
 - a. Customer violation of any of the Company's Pricing Plan Rates;
 - b. Failure of the Customer to pay a delinquent bill for electric service;
 - b-c. Failure of a prior Customer to pay a delinquent bill for electric service where the prior Customer continues to reside on the premise;
 - c-d. Failure of the Customer to meet agreed-upon deferred payment arrangements;
 - d-e. Failure to meet or maintain the Company's deposit requirements;
 - f. Failure of the Customer to provide the Company reasonable safe access to its equipment and property;

Filed By: Raymond S. Heyman Kentton C. Grant

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- e.g. NSF Checks or denied EFTs ~~Returned or invalid payments;~~
- f.h. Customer breach of a written contract for service between the Company and Customer;
- g.i. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction;
- h.j. When a hazard exists that is not imminent, but in the Company's opinion, may cause property damage; ~~or~~
- k. Customer facilities that do not comply with Company requirements or specifications; ~~or~~
- l. Failure to provide or retain rights-of-way or easements necessary to serve the Customer; or
- i.m. The Company learns of the existence of any condition in Section 3.D., Grounds for Refusal of Service.

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2. The Company will maintain a record of all terminations of service with notice for one (1) year and be available for Commission inspection.

~~G.D.~~ The Company will not be obligated to renotify the Customer of the termination of service, even if the Customer – after receiving the required termination of service notification – has made payment, yet the payment is returned within three (3) to five (5) business days of receipt for any reason. The original notification will apply.

~~D.E.~~ Termination Notice Requirements

1. The Company will not terminate service to any of its Customers without providing advance written notice to the Customer of the Company's intent to disconnect service, except under those conditions specified in Subsection 12.B. where advance written notice is not required.
2. This advance written notice will contain, at a minimum, the following information:
 - a. The name of the person whose service is to be terminated and the address where service is being rendered.
 - b. The Company's Pricing Plan ~~Rate~~ that was violated and explanation of the violation or the amount of the bill that the Customer has failed to pay in accordance with the payment policy of the Company, if applicable.
 - c. The date on or after which service may be terminated.
 - d. A statement advising the Customer to contact the Company at a ~~specific address or~~ phone number for information regarding any deferred payment or other procedures that the Company may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's service.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

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- e. A statement advising the Customer the Company's stated reason(s) for the termination of services may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee will be empowered to resolve the dispute and the Company will retain the option to terminate service after affording this opportunity for a meeting and concluding that the reasons for termination is just and advising the Customer of his right to file a complaint with the Commission.

3. Where applicable, a copy of the termination notice will be simultaneously forwarded to designated third parties.

E.F. Timing of Terminations With Notice

1. The Company will give at least a five (5) day advance written notice prior to the termination date.
2. This notice will be considered to be given to the Customer when a copy of the notice is left with the Customer or posted first class ~~via in the United States mail~~ Postal Service, addressed to the Customer's last known address.
3. If, after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for payment of the bill – or in the case of a violation of the Company's rules the Customer has not satisfied the Company that this violation has ceased – then the Company may terminate service on or after the day specified in the notice without giving further notice.
4. The Company will have the right (but not the obligation) to remove any or all of its property installed on the Customer's premises upon the termination of service. Upon the termination of service the Company may, without liability for injury or damage, dismantle and remove its line extension facilities within two (2) years after termination of service. The Company will give the Customer thirty (30) days written notice before removing its facilities should the Company decide to do so, or else waive any reestablishment charge within the next one (1) year for the same service to the same Customer at the same location.

F. Landlord/Tenant Rule

1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and the landlord is the Customer of the Company, and where the landlord as a Customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
 - a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, will offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.

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- b. The Company will not attempt to recover from a tenant or condition service to a tenant, upon the prepayment of any outstanding bills or other charges due upon the outstanding account of the landlord.

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**SECTION 13
RECONNECTION OF SERVICE**

When service has been discontinued for any of the reasons set forth in these Rules and Regulations, the Company will not be required to restore service until the following conditions have been met by the Customer:

A. Where service was discontinued without notice:

1. The hazardous condition must be removed and the installation will conform to accepted standards.
2. All bills for service and/or applicable investigative costs due the Company by reason of fraudulent or unauthorized use, diversion or tampering must be paid and a deposit to guarantee the payment of future bills may be required.
3. Required arrangements for service must be made.

B. Where service was discontinued with notice:

1. The Customer must make arrangements for the payment of all bills and these arrangements must be satisfactory to the Company.
2. The Customer must furnish a satisfactory guarantee to pay all future bills.
3. The Customer must correct any and all violations of these Rules and Regulations.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

~~Tariff No.~~ Effective:

~~Rules &
Regulations~~ Pending
July 25, 2014

Title: ~~Senior Vice President of Finance and Rates and
General Counsel~~

~~Effective:~~ Decision No.

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**SECTION 14
ADMINISTRATIVE AND HEARING REQUIREMENTS**

A. Customer Service Complaints

1. The Company will make a full and prompt investigation of all service complaints made by its Customers, either directly or through the Commission.
2. The Company will respond to the complainant and/or the Commission representative within five (5) business days as to the status of the Company's investigation.
3. The Company will notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the Company will report the findings of its investigation in writing.
4. The Company will inform the Customer of his right of appeal to the Commission.
5. The Company will keep a record of all written service complaints received that must contain, at a minimum, the following data:
 - a. Name and address of complainant;
 - b. Date and nature of the complaint;
 - c. Disposition of the complaint; and
 - d. A copy of any correspondence between the Company, the Customer, and/or the Commission.
6. This record will be maintained for a minimum period of one (1) year and will be available for inspection by the Commission.

B. Customer Bill Disputes

1. Any utility Customer who disputes a portion of a bill rendered for electric service must pay the undisputed portion of the bill and notify the Company's designated representative that any unpaid amount is in dispute prior to the delinquent date of the bill.

**SECTION 14
ADMINISTRATIVE AND HEARING REQUIREMENTS
(continued)**

2. Upon receipt of the Customer notice of dispute, the Company will:
 - a. Notify the Customer within five (5) business days of the receipt of a written dispute notice.
 - b. Initiate a prompt investigation as to the source of the dispute.
 - c. Withhold disconnection of service until the investigation is completed and the Customer is informed of the results.
 - d. Upon request of the Customer, the Company will report the results of the investigation in writing.
 - e. Inform the Customer of his right of appeal to the Commission.
 3. Once the Customer has received the results of the Company's investigation, the Customer will submit payment within five (5) business days to the Company for any disputed amounts. Failure to make full payment may be grounds for termination of service.
 4. The Company will inform the Customer of his right of appeal to the Commission.
- C. Commission resolution of service and bill disputes
1. In the event the Customer and the Company cannot resolve a service or bill dispute the Customer must file a written statement of dissatisfaction with the Commission; by submitting this statement to the Commission, the Customer will be deemed to have filed an informal complaint against the Company.
 2. Within 30 days of the receipt of a written statement of Customer dissatisfaction related to a service or bill dispute, a designated representative of the Commission will endeavor to resolve the dispute by correspondence or telephone with the Company and the Customer. If resolution of the dispute is not achieved within 20 days of the Commission representative's initial effort, the Commission will hold an informal meeting to arbitrate the resolution of the dispute. This informal meeting will be governed by the following rules:
 - a. Each party may be represented by legal counsel, if desired.
 - b. All informal meetings may be recorded or held in the presence of a stenographer.
 - c. All parties will have the opportunity to present written or oral evidentiary material to support the positions of the individual parties.
 - d. All parties and the Commission's representative will be given the opportunity to cross-examine the various parties.



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SECTION 14
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(continued)

- e. The Commission's representative will render a written decision to all parties within five business days after the date of the informal meeting. This written decision of the arbitrator is not binding on any of the parties and the parties may still make a formal complaint to the Commission.
3. The Company may implement its termination procedures if the Customer fails to pay all bills rendered during the resolution of the dispute by the Commission.
4. The Company will maintain a record of written statements of dissatisfaction and their resolution for a minimum of one (1) year and make these records available for Commission inspection.

Filed By:	Raymond S. HeymanKentton C. Grant	Tariff No. Effective:	Rules & Regulations Pending
Title:	Senior Vice President of Finance and Rates and General Counsel	Effective Decision No.	July 25, 2014
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SECTION 15
TEMPORARY SERVICE OR CYCLICAL USAGE

- A. For electric service of a temporary nature [less than two (2) years], a ~~Secondary Service Cline extension charges~~ will be ~~may apply~~ charged as set forth in the ~~TEP Statement of Additional Charges~~, in addition to the regular charges for service which will be billed under the applicable rate schedule. Emergency, supplementary, breakdown or other standby service is not considered temporary and is subject to the provisions of Section 16. Permanent or semi-permanent businesses whose characteristics of operation result in infrequent cyclical usage of energy (e.g., asphalt batch plants, lettuce cooling plants) will require separate contracts with the Company to assure full recovery of the Company's annual ownership cost on the total facilities installed to provide service to the Applicant.

Filed By:	Raymond S. Heyman <u>Kentton C. Grant</u>	Tariff No. <u>Effective:</u>	Rules & Regulations <u>Pending</u>
Title:	<u>Senior Vice President of Finance and Rates and</u> <u>General Counsel</u>	<u>Effective: Decision No.</u>	<u>July 25, 2011</u>
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Superseding:

SECTION 16
STANDBY SERVICE

- A. Emergency, breakdown, supplementary or other standby service will be supplied by the Company at its option only under special contracts specifying the rates, terms and conditions governing such service.

Filed By:	Raymond S. HeymanKentton C. Grant	Tariff No. Effective:	Rules & Regulations Pending
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**SECTION 17
POWER FACTOR**

- A. The Company may require the Customer by written notice to either maintain a specified minimum lagging power factor or the Company may after thirty (30) days install power factor corrective equipment and bill the Customer for the total costs of this equipment and installation.
- B. In the case of apparatus and devices having low power factor, now in service, which may hereafter be replaced, and all similar equipment hereafter installed or replaced, served under general commercial schedules, the Company may require the Customer to provide, at the Customer's own expense, power factor corrective equipment to increase the power factor of any such devices to not less than ninety (90) percent.
- C. If the Customer installs and owns the capacitors needed to supply his reactive power requirements, then the Customer must equip them with suitable disconnecting switches, so installed that the capacitors will be disconnected from the Company's lines whenever the Customer's load is disconnected from the Company's facilities.
- D. Gaseous tube installations totaling more than one thousand (1,000) volt-amperes must be equipped with capacitors of sufficient rating to maintain a minimum of ninety percent (90%) lagging power factor.
- E. Company installation and removal of metering equipment to measure power factor will be at the discretion of the Company.

Filed By: ~~Raymond S. Heyman~~ Kentton C. Grant

~~Tariff No.~~ Effective:

Rules &
Regulations Pending
July 25, 2011

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SECTION 18

STATEMENT OF ADDITIONAL CHARGES

~~Service Establishment and Reestablishment During Regular Business Hours—service reads only—\$13.50~~
~~Service Establishment and Reestablishment under usual operating procedures \$22.00~~
~~During Regular Business Hours—Single Phase Service~~
~~Service Establishment and Reestablishment under usual operating procedures \$51.00~~
~~After Regular Business Hours (includes Saturday, Sundays and Holidays)—Single Phase Service~~

C. ~~Service Establishment and Reestablishment under usual operating procedures—\$71.00~~
~~During Regular Business Hours—Three Phase Service~~
~~Service Establishment and Reestablishment under usual operating procedures \$198.00~~
~~After Regular Business Hours (includes Saturdays, Sundays and Holidays)—Three Phase Service~~
~~Single phase line extension charge per foot—\$17.00~~
~~Three phase line extension charge per foot—\$27.00~~
~~Overhead feeder line extension charge per foot—\$27.00~~
~~Underground differential line extension charge per foot—\$21.00~~
~~Pad Mounted Elbow—\$20,500~~
~~Meter Reread—\$13.00~~

SECTION 18

STATEMENT OF ADDITIONAL CHARGES

(continued)

~~Meter Field Test—\$144.00~~
~~NSF Check—\$10.00~~
~~Late Payment Finance Charge—1.5%~~
~~Interest on Customer Deposits—One Year Treasury constant maturities rate~~

Filed By: Raymond S. Heyman Kentton C. Grant

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EXHIBIT

DJD-5



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TEP STATEMENT OF CHARGES

Fee No.	Description	Rate	Effective Date	Decision No.
1.	Service Transfer Fee	\$ 20.00	PENDING	PENDING
2.	Customer-Requested Meter Re-read	\$ 20.00	PENDING	PENDING
3.	Special Meter Reading Fee	\$ 20.00	PENDING	PENDING
4.	Automated Meter Opt-Out Meter Change-Out Fee	\$ 20.00	PENDING	PENDING
5.	Additional Customer Charge for Automated Meter-Opt Out Customers	\$ 10.00	PENDING	PENDING
6.	Additional Customer Charge for Self-Read Automated Meter Opt-Out Customers	\$ 5.00	PENDING	PENDING
7.	Service Establishment and Reestablishment under usual operating procedures During Regulator Business Hours – Single-Phase Service	\$ 32.00	PENDING	PENDING
8.	Service Establishment and Reestablishment under usual operating procedures After Regular Business Hours (includes Saturdays, Sundays and Holidays) – Single Phase Service	\$ 57.00	PENDING	PENDING
9.	Service Establishment and Reestablishment under usual operating procedures During Regular Business Hours – Three-Phase Service	\$ 78.00	PENDING	PENDING
10.	Service Establishment and Reestablishment under usual operating procedures After Regular Business Hours (includes Saturdays, Sundays and Holidays) – Three-Phase Service	\$ 216.00	PENDING	PENDING
11.	Service Reestablishment under other than usual operating procedures – Single-Phase Service	\$ 150.00	PENDING	PENDING
12.	Single-Phase Line Extension Charge per Foot	\$ 17.00	PENDING	PENDING
13.	Three-Phase Line Extension Charge per Foot	\$ 27.00	PENDING	PENDING
14.	Underground Differential Line Extension Charge per Foot	\$ 21.00	PENDING	PENDING
15.	PME Switchgear Cabinet	\$20,500.00	PENDING	PENDING
16.	Meter Test	\$ 186.00	PENDING	PENDING
17.	Returned Payment Fee	\$ 10.00	PENDING	PENDING
18.	Late Payment Finance Charge	1.5%	PENDING	PENDING

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.:



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Superseding:

TEP STATEMENT OF CHARGES

(continued)

Description	Rate	Effective Date	Decision No.
Rider R-1 – Purchased Power and Fuel Adjustment Clause (PPFAC)	\$(0.001388) per kWh	PENDING	PENDING
Rider R-2 – Demand Side Management Surcharge (DSMS) <u>RESIDENTIAL:</u> Effective Date of Order – June 2014 (or until the next DSMS ACC Decision) <u>NON-RESIDENTIAL:</u> Effective Date of Order – June 2014 (or until the next DSMS ACC Decision)	\$0.000443 per kWh 0.5033%	PENDING	PENDING
Rider R-3 – Market Cost of Comparable Conventional Generation (MCCCG) Calculation as Applicable to Rider-4 NM-PRS	\$0.025854 per kWh	April 5, 2012	73085
Rider R-5 – Electric Service Solar Rider (Bright Tucson Community Solar™) Solar Block Energy Rate for Residential Lifeline Discount, Rate R-06-01 Solar Block Energy Rate for Residential Electric Service, Rate R-01 Solar Block Energy Rate for General Service, Rate GS-10 Solar Block Energy Rate for Large General Service, Rate LGS-13 Solar Block Energy Rate for Municipal Service, Rate PS-40	\$0.050198 per kWh \$0.050324 per kWh \$0.048475 per kWh \$0.049371 per kWh \$0.049086 per kWh	February 1, 2011	71835*
Rider R-5 – Electric Service Solar Rider (Bright Tucson Community Solar™) Solar Block Energy Rate for Residential Electric Service, Rate R-01 Solar Block Energy Rate for Small General Service, Rate GS-10 Solar Block Energy Rate for Large General Service, Rate LGS-13	\$0.053463 per kWh \$0.053274 per kWh \$0.053227 per kWh	PENDING	PENDING
Rider R-6 – Renewable Energy Standard and Tariff Surcharge REST-TS1 Renewable Energy Program Expense Recovery <u>Monthly Cap</u> For Residential Customers: For Small Commercial Customers: For Large Commercial Customers: For Industrial Customers: For Public Authority: For Lighting:	\$0.008000 per kWh <u>Monthly Cap</u> \$ 3.80 per month \$ 130.00 per month \$1,050.00 per month \$7,700.00 per month \$ 170.00 per month \$ 130.00 per month	February 1, 2013	73637

*The Rider R-5 approved by Decision No. 71835 is closed for new enrollment as of XXXXX XX, 2013

Filed By: Kentton C. Grant
Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.:



Tucson Electric Power

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Original Sheet No.: 801-2

Superseding:

TEP STATEMENT OF CHARGES
(continued)

Description	Rate	Effective Date	Decision No.
<p>Rider R-6 – Renewable Energy Standard and Tariff Surcharge REST-TS1 Renewable Energy Program Expense Recovery</p> <p>Customers receiving REST incentives since January 1, 2012 are charged the following average cap (in place of a \$ per kWh surcharge)</p> <p><u>Monthly Cap</u> For Residential Customers: For Small Commercial Customers: For Large Commercial Customers: For Industrial Customers: For Public Authority: For Lighting:</p>	<p><u>Monthly Cap</u> \$ 3.21 per month \$ 24.10 per month \$ 797.05 per month \$7,283.00 per month \$ 53.50 per month \$ 12.03 per month</p>	February 1, 2013	73637
Rider R-8 – Lost Fixed Cost Recovery (LFCR) Mechanism	XXXXX %	On or around July 2014	PENDING
Rider R-9 – Environmental Compliance Adjustor (ECA)	\$0.0000 per kWh	PENDING	PENDING

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Title: Vice President of Finance and Rates
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: Pending
Decision No.: